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ROYAL PUBLICATIONS ON PUBLICATIONS

Proceedings of hearings held at the ICAO Building, Montreal, Quebec, on Friday, December 9th, 1960, et seq. at 10:30 a.m.

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COMMISSIONERS:

M. GRATTAN O'LEARY	Chairman
J.G. JOHNSTON	Member
C.P. BEAUBIEN	Member
MICHAEL PITFIELD	Secretary
G. QUINN	Administrative Officer

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I N D E X

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---On resuming on Friday morning, December 9th, 1960, at 10:30 a.m.

COMMISSIONER JOHNSTON: I had a number of questions prepared last evening but they seemed to have disappeared overnight.

The customs duty on printing, you have two divisions. Do you remember what it is? You discussed it on page 7.

MR. SAVAGE: Page 8. The declared value is advanced by 30 per cent, sir, in the case of one colour work and 35 per cent in the case of two or more colours.

COMMISSIONER JOHNSTON: Is that enough?

Mr. SAVAGE: We feel it is not, sir.

COMMISSIONER JOHNSTON: It costs more than 5 per cent to add a colour, does it not?

MR. SAVAGE: Yes sir.

COMMISSIONER JOHNSTON: Would this include the four colour process?

MR. SAVAGE: It just says two or more colours. It would include the four colour process, sir.

COMMISSIONER JOHNSTON: Very often the plates for four colour process are very very expensive.

MR. SAVAGE: Yes.

COMMISSIONER JOHNSTON: So it would be possible for advertising to come in here in more

quantities and pay 35 per cent duty, is that correct?

MR. SAVAGE: I am not sure of the answer on that, sir. I would have to check the tariff rates on that.

MR. MacLENNAN: This is a 35 per cent advance on your market value and then the duties applied on it in the case of advertising and there would be a matter of, I suppose, 25 per cent there or ten cents per lb. -- ten cents per lb. or not less than 25 per cent.

COMMISSIONER JOHNSTON: It used to be 15 cents,did it not?

MR. MacLENNAN: You may be right, sir. I couldn't say.

COMMISSIONER JOHNSTON: Goods from the United States come in under the most favoured nation group.

MR. MacLENNAN: Yes.

COMMISSIONER JOHNSTON: Whereas the other group was 15 per cent. It used to be 15, five for preferential nations, ten most favoured nations and fifteen for outside.

MR. MacLENNAN: I cannot say for sure, sir.

COMMISSIONER JOHNSTON: Has there been any change in that tariff in recent years?

MR. MacLENNAN: No, not in recent years, no sir.

Mr. SAVAGE: No sir.

COMMISSIONER JOHNSTON: I think it has been the same John A. MacDonald inaugerated it in 1879. Have you made representations to Ottawa on the matter of this Marketing Act?

MR. MacLENNAN: I might explain, sir, that it is only very recently that we have begun to function nationally as an association. We are making representations now on many items. I have been in touch with the Minister of National Revenue about the Marketing Act in this specific instance.

COMMISSIONER JOHNSTON; You would consider the position of Reader's Digest fairer to the Canadian printing industry than the position of Time?

MR. SAVAGE: Yes sir.

COMMISSIONER JOHNSTON: Well, Mr. Savage, I think that is about all I can ask you for the moment.

THE CHAIRMAN: Mr. Savage, you say your industry happens to be one which employs more creative and skilled Canadians than any other industry. Is there some difficulty about employment in your industry now?

MR. SAVAGE: Do you mean is there unemployment?

THE CHAIRMAN: Yes.

MR. SAVAGE: Yes, there is, sir.

THE CHAIRMAN: Has this grown much

say over the last year and a half?

MR. SAVAGE: Yes sir. In the last six months to a year it has increased very greatly, sir.

THE CHAIRMAN: Is there any such thing as seasonal unemployment in your industry?

MR. SAVAGE: No sir; with perhaps one exception. At this time of year the book binders become very busy due to Christmas cards and various other things.

THE CHAIRMAN: Do you have an apprenticeship system?

MR. SAVAGE: Yes, we do, sir.

THE CHAIRMAN: Do you control or do you limit it in any way, so many apprentices each year.

MR. SAVAGE: We do not. The international unions do and they limit it very very strictly.

THE CHAIRMAN: What happens to people who come here from the United Kingdom and who are skilled workers in the graphic arts industry?

MR. SAVAGE: Well, we take them if they are qualified subject to the approval of our respective unions. They must be admitted by the union.

THE CHAIRMAN: Are there as many people employed in this industry today than there were say five years or ten years ago?

MR. SAVAGE: Yes.

THE CHAIRMAN: As many employed?

MR. SAVAGE: I believe there are more, sir, than ten years ago. We have grown with the economy of the country.

MR. MacLENNAN: If I may say, Mr. Chairman, the growth of workers in the industry has been slow. The total employment figure for the whole industry, printing and publishing and allied graphic arts, according to the last statistics was about 103,000. This is compared with 98,000 or 99,000 two years ago, which is a very slow rate of growth.

I wonder, Mr. Chairman, if I might submit comparative statistics on the growth of printed imports in the last six or seven years when statistics were available. I don't believe this has been put in --

THE CHAIRMAN: We will accept that.

MR. MacLENNAN: A report also from an American publication on what the printing and publishing industry in the United States is asking of the United States government in the form of protection.

THE CHAIRMAN: What they are asking the United States government for in the form of protection. What do they get now?

MR. MacLENNAN: Duties, I believe, in the United States are in the order of 5 to 10 per cent. It varies. I am not an authority on American tariffs. As you will notice in the report they are asking that restrictions be tightened so there would be no more concessions to other countries and at the same time they are asking the United States Government to ask for more concessions from other countries, and Canada is specifically mentioned.

This too might be an interesting item. Mr. Benjamin was here yesterday. We have encountered a map of Montreal brought in by Benjamin News, printed in the United States and competing with a better map produced locally and sold at lower prices. This is a specimen of work put out in Toronto by one of the largest real estate firms there, [illegible] rich people. It is post marked in Cleveland with American postage. This is the sort of thing we are contending with.

COMMISSIONER JOHNSTON: Might I ask one more question: How would you collect duty on wrapping? I think your brief suggested a duty on printed material, labels and wrapping and cartons on goods that are dutiable in themselves?

MR. SAVAGE: We believe, sir, that should be appraised by a competent appraiser at the border and should be charged a separate rate of duty.

COMMISSIONER JOHNSTON: Do you know of any other commodities where there are two rates of duty applied?

MR. SAVAGE: No, I don't know, sir, but I would like to bring this out as an example. This is printing, a very costly piece of printing that came over duty free included with an electric razor which is allowed into this country duty free. We feel this printing should and could be done just as well in Canada. We feel to encourage the manufacturer to do it in Canada a duty should be applied to the printing accompanying a duty free article.

COMMISSIONER JOHNSTON: You mentioned electric razors because they do come in free?

MR. SAVAGE: Yes sir, along with many thousands of other goods.

MR. MacLENNAN: On that particular point, sir, these sell by the thousands, perhaps the tens of thousands. If it was an unusual item it might be different, but when it does sell from coast to coast in such great quantity we feel, perhaps, there should be some quantity restriction or some inducement to print in Canada.

THE CHAIRMAN: Could this be printed in Canada and sent to the United States to wrap? Is that what you mean?

MR. MacLENNAN: This particular company is the Remington Rand Company Limited. They have

established a Canadian company in Toronto. They presumably warehouse there, but everything is brought in from the States. We suggest in view of the volume of their business they might well do that, print in Canada and package here.

THE CHAIRMAN: On a product made in Canada. Do you mean on a product that comes in from the United States we should ship them over and have them wrap them and ship them back, so long as the printing is done in Canada?

MR. SAVAGE: No, sir. Remington Rand razors come in to the Toronto office, to the Toronto warehouse. We would suggest that the printing for Canadian requirements be done in Canada and placed in the boxes at the Toronto warehouse.

COMMISSIONER JOHNSTON: There is no inducement for Remington Rand to do the packaging in Canada, is there?

MR. SAVAGE: No, sir.

MR. MacLENNAN: No, sir.

COMMISSIONER JOHNSTON: Perhaps you had better go to the Tariff Board and see if you can get 5 per cent tariff on razors.

THE CHAIRMAN: Do you gentlemen ever go to the Tariff Board or the National Revenue Board with your problem?

MR. MacLENNAN: We are planning to. We have just begun to function on the national level.

It is only this year our association has a full time manager for the first time. These problems are bringing printers together and causing us to express our concern.

THE CHAIRMAN: Thank you very much, gentlemen.

MR. MacLENNAN: Thank you, sir.

THE CHAIRMAN: Would you identify yourself for the record, sir.

MR. JOTCHAM: Mr. Chairman, I am Mr. T.D. Jotcham, past president of the Federation of Canadian Advertising and Sales Clubs. This is Mr. John P.B. McCormick, an executive director. We are representing that association.

We first of all would like to say we appreciate the invitation to present the brief here. We should point out that our membership, that we have representative membership in our clubs and in the federation of both sides of this argument. Our purpose here is not to take sides in any respect whatsoever, but we are here representing the cause of advertising. We have the historical fact that in 1956 when legislation was introduced it did remove the tax on advertising. We feel that advertising is a great catalyst of business, that it contributes in a tremendous way to the buoyancy of our economy. Our feeling is if the Commission feels that equalization of this is necessary to allow fair

competition in the publishing fields, that it should not be in the form of a tax on advertising.

THE CHAIRMAN: Have you a submission to make?

MR. JOTCHAM: We have a submission, sir.

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SUBMISSION OF THE FEDERATION OF CANADIAN ADVERTISING AND SALES CLUBS:

Appearances: Mr. T.D. Jotcham.

Mr. J.P.B. McCormick.

MR. McCORMICK:

THE ROLE OF FEDERATION:

The purpose of the Federation of Canadian Advertising and Sales Clubs is generally to "work for sound advertising and selling in Canada." More specifically, the major contributions of FCASC are in the field of service to the 35 individual clubs across Canada with a total membership of over 6,400, (clubs provide educational courses in advertising, selling, etc. to members and the community); in promoting exchange of ideas between clubs; in establishing new clubs; in helping bridge the substantial gap in public knowledge and appreciation of Marketing as an economic force -- "the advancement of knowledge and sound practice in Advertising and Selling".

Each club, in proportion to excellence of programme and activities undertaken, improves marketing in Canada and, in turn, the living standards of all Canadians.

It is important to business and government that improved merchandising techniques be developed in all areas of Canada. Large companies, and smaller companies in large centers, are fairly well supplied with facilities to improve their merchandising techniques, but this is not so to the

same extent in smaller centers across Canada. It is in this area that FCASC through the support it gives to clubs in such communities plays a vitally important role in marketing in Canada.

Our ability, as a nation, to market must be maintained for upon this hangs the maintenance of our present standard of living; no other way has been found to sustain that standard. When pressure is relaxed upon all of us to better our lot by adoption of new and improved things, the expanding economy slows down.

GENERAL POLICY STATEMENT:

This federation made representation a few years ago when advertising in Canada was legislated against. We are agreed upon the importance of developing a Canadian identity but are still against any equalization methods which constitute legislation against advertising or selling -- which are catalysts to the Canadian economy.

THE ROLE OF ADVERTISING IN THE ECONOMY:

The Federation of Canadian Advertising and Sales Clubs must of necessity be concerned with legislation against advertising which would in any way hamper free enterprise, and affect the value of goods or services to the consumer in relation to our economy.

It is generally accepted that:

(1) advertising is a stimulant to business and, therefore, is not a product

in itself.

(2) as chief source of revenue for most mass media, advertising could not be restricted or legislated against without committing a breach of the traditional freedom of the press.

(3) advertising builds jobs; the same advertising that builds product sales also builds payrolls; advertising that creates a demand also creates jobs.

WHY LEGISLATION WHICH HAMPERS ADVERTISING AFFECTS THE ECONOMY:

The economic welfare of Canada is of concern to both the advertiser and his audience. Any legislation against advertising which hampers free enterprise is not just legislation against "advertising". It is legislation against efforts of all business to make sales. It is the same thing as hampering a salesman's calls on his prospects, for advertising is one of the main forms of selling.

WHY HAMPER SELLING TO ADD TO UNEMPLOYMENT:

If legislation were in the form of a tax, for example, it would increase the cost of making the sale. When it costs more to sell, Canadian advertisers can only:

(a) Decrease their sales efforts, which means:

Fewer Sales

Lower Profits

Fewer Jobs

and Lower Wages.

(b) Or, maintain their selling efforts at increased cost, which means:

Lower Profits

Fewer Jobs

and Lower Wages.

(c) Or, pass the tax along to their customers, which means:

Higher cost to the general public

Less value for the money

Adding up to inflation

Thus any taxing of advertising would work to undermine jobs, wages and buying power.

MORE ADVERTISING REQUIRED NOT LESS:

It is the belief of this federation that business should be constantly alert and vigorous to improve marketing methods, to make sure the customer is well informed and efficiently served, and that the producer is aware of potential markets.

If sales decline, business must appraise the possibilities that will exist for maintaining sales by redoubled efforts, using the media which will do the best selling job for them in an economy where income and savings will still be large.

There is little doubt that advertising as one of the main tools of selling is an integral part of modern business operations today. It is an effective and economical means of mass communication available to all industry, business and the public. It plays an essential part in selling, in educating Canadians about the values of goods and services and about actions for the public good.

How Advertising is Recognized by Government.

Government should encourage advertising and selling rather than legislate against it, because cities, provinces as well as the federal government have themselves recognized the power of advertising and selling. For example, the government spends many millions of dollars on advertising campaigns for the sole purpose of attracting new industries, new people to Canada -- for recruitment in our armed forces -- and, also to attract tourists, conventions, etc. When government itself needs and uses advertising, surely government should understand why they should not discriminate against selling or hamper such effort in any way.

Tax on Advertising is Discriminatory.

Discrimination against advertising can result in crippling the key factor in our economy: mass buying, which depends on mass selling. Where mass selling is curbed, prices and unemployment go up.

The Canadian public cannot have the benefits of mass production without mass selling, and hampering of advertising, it is submitted, is a direct attack on the public personally.

A tax on advertising is discriminatory against: -- advertised products or services, as compared with unadvertised.

-- companies which depend heavily on advertising in all media, as compared with those which can make use of restricted media, personal salesmanship or other forms of selling.

-- our national advertising media as compared with local and suburban media.

-- people employed in publishing, as compared with those engaged in other lines of service -- doctors, lawyers, barbers, laundrymen, cleaners, etc.

A tax on advertising is a discriminatory tax on the food, drugs and other essentials, including charity, which the public needs, since advertising is a part of sales expense for these essentials.

TO SUM UP:

Legislation against advertising which involves a tax on advertising will sooner or later to some extent see the following results:

-- declining sales

-- fewer jobs

-- declining incomes

-- declining of other tax receipts

-- increased unemployment

-- increased inflation

The condition outlined above may take a while to happen, for it is historic that "sales making" is a long and steady process. But the harm, once done, cannot be quickly corrected.

I would like to add one statement, and that is that these remarks apply to all advertising, rather than one specific area of advertising.

Thank you, sir.

COMMISSIONER JOHNSTON: Now, what do you do, Mr. McCormick? By whom are you employed, or what is your occupation?

MR. McCORMICK: I am employed by the Advertising and Sales Executives' Club of Montreal, as their General Manager.

COMMISSIONER JOHNSTON: You are a full-time Club Secretary?

MR. McCORMICK: Yes, sir. I am a full time Club Secretary. I am also Executive Director of the Federation of Canadian Advertising and Sales Clubs.

COMMISSIONER JOHNSTON: And you, Mr. Jotcham?

MR. JOTCHAM: My employment, business-wise, is Vice President of Foster Advertising Limited -- Montreal manager. In addition to

that, my purpose here is as immediate President of the Federation of Canadian Advertising and Sales Club.

COMMISSIONER JOHNSTON: Who wrote this brief?

MR. JOTCHAM: It was a combined effort between Mr. McCormick and myself.

COMMISSIONER JOHNSTON: How many members of the Advertising and Sales Club passed it?

MR. JOTCHAM: It was mailed out to all Advertising and Sales Clubs prior to a Board of Directors' meeting. The executives of all clubs were invited to read it and comment upon it and, three weeks later, at a Board of Directors' meeting the brief was discussed and passed unanimously that it be presented to this Board.

COMMISSIONER JOHNSTON: Nobody saw any holes in it?

MR. JOTCHAM: Nothing was brought up in the minutes, no.

COMMISSIONER JOHNSTON: I am rather surprised that it was approved the way it stands.

Mr. JOTCHAM: Why do you say that, sir?

COMMISSIONER JOHNSTON: Because it is full of holes. The other thing is that when I was a member of the Toronto club, it seemed to me that half the people there represented agencies and the other half were space salesmen

for Maclean's. Have all the space salesman from Maclean's resigned from these clubs?

MR. JOTCHAM: I would say that perhaps conditions have changed considerably.

I think we should explain that we are not representatives entirely of the Toronto club, but all clubs across Canada in every section and every province consisting of sales and advertising people, executives of all types, shapes and sizes, and I think it would be rather difficult to judge our membership on the basis of one club.

But, I am afraid I do not quite get your questioning in this regard, sir.

COMMISSIONER JOHNSTON: Well, assuming that the employees of Canadian magazine companies and periodicals are a substantial proportion of the Club membership, how could they approve this brief which, obviously -- you say you do not take sides -- it is obviously intended as an argument against doing anything about the so-called Canadian editions?

MR. JOTCHAM: I think that is perhaps where the misunderstanding lies. This is not considered at all and we are not presenting the brief as an argument in this manner at all. Our only argument is that if such equalization methods are necessary, that it not be in the form of attacks on advertising that we feel would set

a very dangerous precedent. As a matter of fact, we are saying, and have said in our brief, that we are in favour of a strong periodical press.

COMMISSIONER JOHNSTON: If the failure to do something about these imports of magazines results in their being no periodical press in Canada of our own, would not that be a little worse than a tax on advertising?

MR. JOTCHAM: We feel, sir, that there could be other methods of equalization still, rather than taxing advertising.

We feel that a tax on advertising would set a precedent that would not only affect Canadian periodicals, as such, but might affect all other forms of advertising. Once a precedent is set, advertising can be taxed, and the radio , television newspaper, and every other field, and it is in this regard that we show our concern.

COMMISSIONER JOHNSTON: Is there anything that is not taxed?

MR. JOTCHAM: Advertising, in a sense, is taxed very indirectly at the moment.

COMMISSIONER JOHNSTON: Well, advertising in a newspaper is not taxed?

THE CHAIRMAN: I beg your pardon? If you had to pay the corporation taxes we do, and it is mostly from advertising ...

MR. JOTCHAM: That is the point. Every

corporation is taxed, to some extent, and, therefore, in that manner, a part of that tax is applied to advertising revenue; but it is not directly on the advertising itself at this stage.

COMMISSIONER JOHNSTON: Well, the Chairman and I are both right. There is an eleven per cent sales tax on other kinds of advertising, circulars, catalogues; why should not there be a sales tax on newspaper advertising?

MR. JOTCHAM: This is a tax on printed advertising material. This exists under the present tariff laws. It is printed advertising material coming in from across the border, on which I believe there is a 35 per cent equalization tax, to equalize the differences of cost of printing in the United States, as opposed to Canada, and a 22½ per cent duty on such material. Therefore, this is on printed advertising material, rather than on advertising appearing in the newspapers, periodicals, television, etc.

COMMISSIONER JOHNSTON: But, advertising that comes to my door, at home, circulars and what is known as the flyers -- they all are subject to sales tax, are they not?

MR. JOTCHAM: Not to my knowledge, sir. They are subject to sales tax as printed material.

COMMISSIONER JOHNSTON: That is right.

What is the difference between eight pages of advertising of that kind and eight pages in a newspaper?

MR. JOTCHAM: I am sorry.

COMMISSIONER JOHNSTON: What is the difference between eight pages of advertising of that kind and eight pages in a newspaper?

MR. JOTCHAM: Direct mail, as opposed to newspaper advertising? Let me think about that one. Again, I think the tax is made on the printing of it and, as a newspaper is printed and is taxed from the point of view of its area and overall operation, in the same way, so is the printer and the printing taxed in that form. In other words, it is the form and I think the newspaper is taxed as a product. A piece of direct mail that you receive in the mail is taxed as a product; but, the material that is contained in that piece of paper, as the material that is contained in the newspaper page, is not taxed as such. Does that answer your question, sir?

COMMISSIONER JOHNSTON: I do not think it does. I will be getting back to the brief. Quite a number of briefs from associations are presented and they profess to speak for all the members of the association. You have not any means of knowing whether this represents the opinion of members of the various clubs or not;

is that correct?

MR. JOTCHAM: That is not quite correct, because the executive board of each Club is representative of the club and this brief was presented to the executive board, the Board of Directors of every club in Canada, and they were asked to consider this, and a great majority of those clubs attended a Board of Directors meeting, held in Toronto, when this brief was presented, after they had time to read and consider it, and gave approval to present this to the Commission.

So, therefore, I feel every club has certainly had an opportunity to express itself. It has been before all their boards and, so, I feel that it is certainly representative of the majority of opinions of the clubs in Canada at this stage. Each member of every club, 6,500 of them, I will grant you, probably, if not all, considered this and voted as a club; but, the Board of Directors representing the Club, the same as a Board of Directors representing a company, set the policies, and we have their policy approval.

COMMISSIONER JOHNSTON: Which is the largest of the clubs?

MR. JOTCHAM: The largest club, at the moment, is in Vancouver.

It is a section of the Board of Trade consisting at the moment of some 1400 members. The next largest is in Montreal that has roughly 1100 members. This is advertising and sales executive clubs. These are all executives. Toronto has the next largest at roughly 900 members. These are advertising and selling people, not necessarily executives and so on.

COMMISSIONER JOHNSTON: Did the Toronto club approve of this?

MR. JOTCHAM: The Toronto club were represented at the Board of Directors and approved it.

COMMISSIONER JOHNSTON: And the directors passed it unanimously?

MR. JOTCHAM: As far as I know.

MR. McCORMICK: May I submit a report of the meeting by the president who drafted this statement.

May I also submit a roster of the membership of the Canadian Advertisors Club and also an item in the minutes of the Board of Directors meeting which was held in the Cavalier Room of the Westbury Hotel on Monday November 21st, which is a minute of approval by the board for this brief to be presented to this Commission this day.

May I also present for the record the membership roster of the Advertising and Sales Executive Club of Montreal, which has one thousand members. May I also show distinction of title

of these members. Two hundred and thirty-five top executives; these are presidents, vice-presidents and directors of the companies.

COMMISSIONER JOHNSTON: Is this the Montreal club?

MR. McCORMICK: Yes sir, this is the Montreal roster alone. Three hundred and sixty-five sales managers, 255 advertising managers, 15 regional advertising managers, 47 public relation executives, 50 advertising agency account executives, 8 advertising agency media directors, 9 creative directors, and 25 proprietors of their own business.

I thought this might help to give you some idea.

COMMISSIONER JOHNSTON: You mentioned space salesmen there. What do you call them nowadays?

MR. McCORMICK: They are called sales representatives, I think.

COMMISSIONER JOHNSTON: How many of them?

MR. McCORMICK: I don't have the actual count on them.

MR. JOTCHAM: There is not any in the Montreal club because these are executives here and salesmen are not normally members of this club, only executives.

COMMISSIONER JOHNSTON: Who is the president of the Toronto club?

MR. JOTCHAM: Mr. Clark.

MR. McCORMICK: Norman H. Clark, who is a sales manager for Rapid Grip and Batten in Toronto.

THE CHAIRMAN: Mr. McCormick, on page 4 paragraph 3 of your brief you make this, to me, astounding statement. You say "It is generally excepted that advertising cannot be restricted or legislated against without committing a breach of a traditional freedom of the press". Who generally accepts that?

MR. McCORMICK: I say here the traditional freedom of the press.

THE CHAIRMAN: You say this proposition that you make is generally accepted; that advertising cannot be restricted without committing a breach of the traditional freedom of the press. Is that generally accepted and by whom?

MR. JOTCHAM: I think perhaps the best way to answer that is -- while we do not have complete documentation to submit in evidence for this statement, I think very generally across Canada after legislation was put into effect in 1956 this very factor was strong in the editorial columns of most newspapers across Canada.

THE CHAIRMAN: I am afraid you are probably right. It certainly was generally accepted by advertising people at that time but

before a submission such as this is submitted to a Commission such as ours, you should have looked up a bit of the history of the freedom of the press. This would be laughed at in every higher court of the British Commonwealth. This has been thrown out in judgment after judgment of the highest courts in the land. Freedom of the press has nothing whatsoever to do with the right to carry advertising or the right to have advertising exempted from taxation.

I wish that more people in this country, publishers and advertisers, would get this through their heads. If you look up a bit of the history of the freedom of the press, which was granted in the first place before advertising was ever heard of, the freedom of the press was not won for the sake of the press. It was won for the sake of the people. It has nothing to do with newspapers and magazines as such. It is the printing press, the printed word and all you get by press freedom is all any citizen gets by freedom to meet and even that is restricted.

This is what weakens this statement you bring to us.

You make a statement such as here almost as if it were a dogma so I say if he is so wrong about this how do we know how right he is about something else.

Mind you, you are not the only offender.

Right from the beginning of this Commission we have had people come and make this high sounding statement about press freedom. That is all nonsense.

MR. McCORMICK: Mr. Chairman, may I be permitted to say a word.

THE CHAIRMAN: Yes indeed.

MR. McCORMICK: I wonder if a tax on advertising in the case of newspapers is not a tax on the daily newspaper.

THE CHAIRMAN: It doesn't matter. There is no press freedom, sir, which underwrites the rights of newspapers to make money. That was not the idea of it at all. It was the right of the newspaper to express an opinion, but press freedom does not underwrite the prosperity of Maclean's Magazine or the Ottawa Journal or any other publication. This is the difference.

MR. JOTCHAM: I think your point is very well taken, sir. We accept it as such. I may say this is in the sense of this argument. You have become aware, as you have said, during the presentations of this Commission that it is generally felt that this situation does exist and that this is what freedom of the press is.

THE CHAIRMAN: "Generally" is a pretty all-embracing term. It has been said by people who have come before us and have made no study whatsoever of the meaning of press freedom and they make these assertions without documentation.

It is that of which I am complaining. This is the thing, it becomes a legend. It is accepted by too many people.

It is wrong from beginning to end. It is just as right as -- I remember Mr. Justice Holmes once saying all you get of free speech should be the right to stand up in the theatre and cry fire.

This is the trouble. All of this talk about press freedom. There is no such thing as absolute press freedom and in fact no such thing as absolute freedom.

I really find, I must say, I have been turned against a number of the briefs here because they start out with this tremendously high sounding statement that they are here in defense of the freedom of the press. I would like to see the people who speak for the press speak with a little more responsibility and forget about this freedom.

Thank you very much, gentlemen.

MR. JOTCHAM: Mr. Chairman, may I be permitted to bring up another point. When we speak about tax on advertising in newspapers, I was trying to imply perhaps that the newspapers depend on advertising for more than a reasonable quantity of their income and I am trying to imply too that tax on the press is a dangerous thing because the power to tax is sometimes the power to destroy.

THE CHAIRMAN: Why are the newspapers a dangerous thing? We pay 48 per cent tax on our gross revenues. We do not complain about taxes on the freedom of the press.

The freedom of the press is only the right of Gratton O'Leary to get out a pamphlet and have it printed. A newspaper is a commercial proposition.

MR. McCORMICK: You spoke, Mr. O'Leary, on the historical side of this question. I understand that. I would like to get this further document, if required. In 1712 to 1853 the British monarchs when they became afraid of free speech and the freedom of the press imposed taxes on newspapers, which was known as the Stamp Act and as a result of this Act most of the newspapers in England went out of business. I know that we are in different times and different days but this may be of some historical value.

THE CHAIRMAN: This was a direct attempt by the King to exercise his powers in a tyrannical way to stop criticism. It had nothing to do with advertising. This was a tax on the printed word itself. That is a tax on opinion. Advertising is not opinion.

MR. McCORMICK: That is true.

COMMISSIONER JOHNSTON: If I may make one remark. I would say, gentlemen, you take yourselves too seriously.

MR. JOTCHAM: In what respect, sir?

COMMISSIONER JOHNSTON: Well, a tax on advertising -- everybody has got a grievance about taxes. I don't like personal income tax and I don't see why a tax, if necessary, should not be imposed on advertising as well as on motor cars.

MR. McCORMICK: Can I answer that point, Mr. Johnston. I think no-one objects to a fair tax on anything but to tax something which is going to perhaps result in increased costs to the general public --for which they are paying anyway -- I think this perhaps would be in the unfair class.

MR. JOTCHAM: I think basically to tax something that is an aid to the economy to such an extent that advertising is -- advertising is acting as a salesman. It is like taxing the time of the salesman himself.

We take ourselves seriously perhaps because we do feel we are in a very responsible position in terms of the contribution we make to the Canadian economy. We are as responsible as the regular pages of the press and we are in turn presenting ourselves to the public and telling the public things, and in a sense influencers of the public in what we say in our advertisements and what is read in the printed pages. It is a great responsibility. Advertising very definitely does help sales. It very definitely does

keep our economy buoyant. If we do not have it and if we tax it too highly business would slow down and it is as simple as that.

COMMISSIONER JOHNSTON: If you tax automobiles more than they are now being taxed, you would slow down sales of cars and that has an effect on the economy, has it not? I am merely suggesting that what you people are doing in your daily work is important but not all important, not as important as this brief would indicate.

MR. JOTCHAM: Well, we also are being taxed, sir from every point of view -- companies and people engaged in the advertising business, the same as everybody else.

COMMISSIONER JOHNSTON: That is all.

THE CHAIRMAN: Thank you very much gentlemen, despite our disagreements.

THE CHAIRMAN: Mr. Leslie Roberts. Mr. Roberts, would you identify yourself for the record?

MR. ROBERTS: I would identify myself as a freelance writer and a broadcaster, sir. May I offer an explanation, Mr. O'Leary? I had a letter from Mr. Pitfield to come this afternoon. I just came over from broadcasting and I went to check that and I was told by the young lady that you probably would not be sitting this afternoon.

THE CHAIRMAN: We hope not to, sir, so we are glad to hear you now. All right, sir, go ahead.

MR. ROBERTS: Would you like me to read my brief, sir?

THE CHAIRMAN: Yes.

SUBMISSION OF LESLIE ROBERTS

APPEARANCES:

Mr. Leslie Roberts

MR. ROBERTS: Mr. Chairman and gentlemen. The problem which confronts the Royal Commission on Publications is extremely complex. Among its inherent dangers is the fact that all of us who are involved in the production of Canadian publications, in one way or another, are prone to believe that we bespeak the national interest, when

we are really thinking of our own. A writer is as likely to fall into this error as a publisher or printer is.

In my thinking only one factor emerges with complete clarity. That is that in a free country, freedom itself depends on freedom of communication between people and nations. In this country neither the disallowed Padlock Law in my home province, Quebec, nor tariffs, nor special taxes, have ever succeeded in restraining Canadians from reading the periodicals of their own choice. The condition is one I trust we shall always sustain. On any other terms we cease to be free, because we shall have surrendered what I can only call our freedom of inquiry.

Unfortunately this vital freedom becomes involved in the matter before you with a problem in economics, described by a number of publishers as one of survival. With all respect to gentlemen -- some of whom are almost lifelong friends -- who have put the case for the publishers before you, I wish they could keep their ardent love of Canada (reflected in their desire to provide their readers with a staunchly Canadian outlook) and their bank accounts in separate, sealed-off compartments. Apparently they cannot. Nor can others who speak for publications owned abroad, but widely circulated here, refrain from telling us how good they have been for us -- a judgment which, in all humility, I

suggest we are quite capable of making for ourselves. If the purpose of much of this special pleading, in which everybody argues the intrinsic righteousness of his own case, had been to spread confusion in the public mind, it could not have served that purpose more effectively.

The Canadian publisher must be prepared and able to meet competition from abroad, especially from the neighbouring United States. He is entitled to fair competition, no more and no less. Where that competition becomes unfair, he is entitlted to expect action from the Government of Canada to put the scales in balance. Given a fair opportunity in the market, if he does his job properly, I maintain he has the edge over his competitors from other countries.

In respect to unfair competition several arguments have been raised which I am not competent to judge or answer. It has been said that United States magazines "dump" what is tantamount to surplus circulation in Canada, that their Post Office gives them more favourable mailing rates than they enjoy in their own country, and their editorial costs are almost wholly absorbed in producing their domestic editions. I can only say that the Canadian government is quite competent to correct such situations, as it corrects them in other areas of international trade when they arise.

I think I am competent to criticize one aspect of obviously unfair competition, however -- the so-called "Canadian edition", which is not anything of the kind. Several United States periodicals now ship in such editions which are no more than the original domestic issues, with one article dropped and a Canadian article added (usually purchased from a writer domiciled in Canada at fire-sale prices, I might add). These so-called Canadian editions are pure fakes. One step we can surely take here. That is to refuse to allow the publishers to so label their magazines, just as we refuse the producers of other items to paste false labels on their packages.

As to the complaint, growing in volume year by year, that these and other magazines from "outside" are taking away a huge slice of the Canadian advertising dollar, by selling "regional" space at low rates, the cure is in Canada's hands if we want to take it. We can simply tell the Canadian advertiser, through legislation, that if he wants to buy space in an American, or other foreign publication, then he must buy the full run at the rate-card price. This would certainly repatriate the Canadian advertising dollar in a hurry. I have asked a number of advertising agency executives why they advise their clients to purchase regional space in such publications as Time. In every

instance the reply has been that these media "pull" better than Canadian magazines, or else that the client gets more circulation for his dollar than he can by using domestic publications. I think this should be said for the record.

Judged by evidence I have read, any such step as that suggested in the previous paragraph would be received by those concerned with the cry that we are interfering with freedom of speech. I see no validity in this. The advertiser is still free to buy, if he so wishes. In any case, I cannot equate commercial advertisements with my own concept of what constitutes that freedom.

Having made the point that we have in our own hands ample power to assure the Canadian publisher fair competition in his home market, we are entitled to ask what responsibility he is prepared to accept as a quid pro quo. Much is made of the need to provide the Canadian people with a mirror of Canadian life, but I do not see many publishers holding that mirror up. Or, to put it another way, much of what I see in the mirror does not reflect a real Canadian spirit or give a serious Canadian assessment of the world we life in. There are exceptions. But it must be said of the general magazines that much of the editorial material they publish is extremely shallow. This is equally true of the American "slicks". To

this I would add that if our public turns to the latter, it may well be because they produce their shallow pieces in brighter and more readable form.

I repeat, sirs, that if Canadian publishers are to be given the relief they seek (and I sincerely hope that will be the result) then we are entitled to ask them what responsibility they will take to sustain a Canadian spirit and outlook. Publishing is a business apart from all others, because it is part private enterprise, undertaken in the hope of profit, and part public responsibility, because its role is to inform and even to lead public opinion. I think that you, sirs, and the Government of Canada, and the people are entitled to ask how this responsibility will be discharged if relief is given. In seeking this relief, our publishers have appealed to the country and therefore have come into the public domain. Are they willing to accept the kind of overseeing that the Board of Broadcast Governors applies to television and radio? I am not saying they should do so, but I cannot resist putting the question.

Where does the writer come out in all this -- and my reference is to the professional writer who depends entirely, or almost entirely on writing, and such by-products as broadcasting and lecturing for his livelihood? In my way of thinking there

is no such animal as a "Canadian writer", if by that we mean a Canadian working as a professional and writing solely for a Canadian audience. One is either a writer, or one isn't. His market is the world, with considerable emphasis on the United States if he writes for magazines, because it is the largest and most lucrative market he can find. If he is any kind of craftsman, it is also an easier market in which to sell his wares than his own domestic magazine field is (I am not here alluding to the prices paid for articles, but to what I can only call the editorial strictures). Nevertheless, a Canadian who is also a writer naturally wants to appear before the reading public in his own country. What opportunity has he to do so?

Let us look at the November 5th issue of Maclean's. In the front of the book are four departments under the omnibus title "Preview" -- all written by staff members. The items in the body of the issue were listed as "Articles". Two of these were primarily pictorial. Of the remaining eight, two were contributed by non-Canadians -- Arnold Toynbee (U.K.) and Richard Rovere (U.S.), five were written by members of the editorial staff and only one was supplied by an independent outside contributor (June Caldwood). Under the listing "Departments", Hugh MacLennan had a piece on U.S. - Canadian relations. An

overseas report was provided by a staff writer. A page of cartoons was provided by a contributor.

I am not criticizing this make-up. I am not saying that the pages of Maclean's should be filled by the work of Canadian writers. I believe profoundly in the free market, if only for the selfish reason that I live and work in it. But I do make the point that this adds up to a very slim market for the Canadian writer who isn't a salaried employee of the magazine. In other words the work of a larger number of Canadian writers may appear. Other magazines buy more Canadian material perhaps. But the places in which the young writer, trying to establish himself in the profession in his own country, in which he can appear, are indeed few.

If I may personalize this problem briefly, I can only say that my own income from broadcasting and lecturing in my own country is at least seven time my earnings from magazines published here. What is even more important is that in these fields I enjoy far greater freedom of expression than is the case in the magazine field -- with one exception; my regular editorial feature in The Montrealer (In the latter case, however, I went through three near bankruptcies and produced scores of editorials for which payment was never made, before the magazine came into the hands of its present responsibile ownership). I can only

suggest to magazine publishers who complain about the precarious nature of their businesses that they should try the writing profession.

In all this, one is forced to wonder if public tastes are not changing sharply -- and this is a matter of just as deep concern to a writer as it is to a publisher of magazines. The mortality rate amongst magazines has been high in all English speaking countries in recent years. Whether this means that the reader is turning to other media of communication and entertainment is not easily assessed. He has indeed turned to other things, but has he turned away from the periodicals? I am not sure, but I recognize a tendency in people to read specialized publications which relate to their personal interests, perhaps in greater degree than they now turn to what are called "general" magazines.

Finally, sirs, it is my opinion as a Canadian who also happens to be a writer by profession, that steps should be taken to assure Canadian publications a favourable competitive climate in the domestic market, but that in return they should be ready to make firm commitments in respect to expressing a Canadian viewpoint and in giving leadership in forming public opinion and in informing the Canadian people. I believe that the more Canadian in flavour our publications become, the more they will prosper. I believe with equal

vigour, however (and I repeat myself for the sake of emphasis), that under no circumstances must we put roadblocks in the path of free communication. In saying this I repeat that ways must be found to rid ourselves of the "fake" and pseudo-Canadian magazines which are sold here under what is tantamount to false pretences. I repeat, too, that in exchange for the relief the publishers seek, they must also be prepared to accept the responsibility of thoroughly and constructively "Canadianizing" their publications, and to spell out what these responsibilities are.

I would not put up barriers against magazines which enter Canada from the United States, or other countries, which do so honestly and which make no pretence to be something they are not. It has been said recently that the United States is attempting to spread its way of thinking and what is called "the American way of life"throughout the free world, through the medium of periodicals. As one who on numerous occasions has been extremely critical of American mores and action (and expects to criticize again when the occasion arises), I can only say that if Canadians are not equal to the task of making up their own minds, we are not the people I believe we are. If helping to maintain a Canadian point of view and personality is not one of the responsibilities of

our magazines, then we have no need of them.

I regret that a study of the book publishing trade was not included in the terms of reference of this Royal Commission, It is one which, as the author of fourteen published books, I feel also requires such an examination and study as your Royal Commission has undertaken. In my opinion the problems of the publisher of hard-cover books in Canada are even more serious than those which beset the magazines. Now I appear before you, gentlemen, if this is permissible I should like to enlarge on this statement, and to enlarge upon any remarks herein which you may find pertinent to your inquiry.

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THE CHAIRMAN: Thank you. It is always good to hear a good old pro in action.

COMMISSIONER JOHNSTON: You seem to have answered the questions as you went along, Mr. Roberts. It is in my opinion an excellent brief containing ideas we can seriously consider when we come to writing this report. I wonder if we could hire you to write it?

MR. ROBERTS: I once heard one of my children saying when he was young to another young child, "My old man will be an expert on anything for a couple of hundred dollars".

SUBMISSION OF REGINALD R. FIFE:

THE CHAIRMAN: Will you identify yourself.

MR. FIFE: I am Reg. Fife of St. Anne de Bellevue and I am appearing just as Reg. Fife.

I intended appearing before you in a combination of roles. However, after following press reports of the proceedings, I am sure you are tired of over-worked areas. I so present a considerably shortened version of my initial draft.

My background includes 12 years editorial experience in business paper publishing; seven years with consumer magazines as editor and as manager; three years as a newspaper columnist; experience in radio as writer-commentator; two years as a magazine publisher; and 15 years as a profession writer.

A look will convince you that much of this activity has been concurrent!

I am also Vice President of the Outdoor Writers of Canada and a Past President of the Business Paper Editors Association of Canada.

Now we have disposed of me, let me present some facts and opinions and suggested areas of solutions for this Royal Commission and Canada.

I am not going to speak about something that may happen in the future. I am going to speak of something that has already happened. It has happened to a very important part of the

periodical press -- the so-called "class" magazine. Specifically, the outdoors magazine.

Newsstand distribution, as it is known by the majority of those who submitted briefs in the early part of these hearings, has ceased to exist for the outdoors press. The mails remain the only means whereby Canada's outdoors press can reach Canadians.

New subscribers must be fought for, against almost impossible competition, through those same mails, or through personal selling or through various "combination" deals with newspapers. This is extremely expensive selling.

Before I go further, however, I might try to justify the existence of Canadian outdoors magazines, if this is necessary.

They concern themselves with much more than fishing and hunting and camping and boating and wildlife. They have to do with the very core of our country. With all of our renewable natural resources. With Conservation. With antipollution. With almost every sin against the country itself.

More Canadians participate in outdoor recreational activities than attend all spectator sports combined.

What particular place does the outdoors magazine have in the Canadian community?

That might be answered with a question. Who or what bodies keep an eye on federal and

other legislation or other activities with an appreciation of their broad impact on the Canadian scene? In the outdoor field there is not even a nationally constituted body of "sportsmen".

Examples of both rediculous federal legislation that should be damned, and enlightened legislation that should be commended and endorsed, are not hard to find.

Who or what is in a position to assess these things? And who is in a position to acquaint the interested Canadian public of the ramifications of some governmental action?

Newspapers? Their concern is generally local. Also very few have full-time outdoor writers on staff.

Radio? Usually their concern is also local. Present programming policies make it difficult to acquaint and inform with 30 second flashes.

Television? Possibly. But it too has many functions.

General magazines? Their approach is rather broad to be concerned with the special interests of the outdoors except in passing.

Canadian editions of foreign magazines? Hardly.

Overflow foreign outdoor magazines? Only if the subject in question directly affects people of their country in a discriminatory way.

No. That function is one of the so-called

"class" magazines. And this applies whether we are talking the outdoors, or dog raising, or boating, or what have you.

There is a great deal about the outdoors that happens at the federal level that is of concern to Canadians -- whether they themselves use the outdoors or not. This is a part of the heritage we leave behind for future generations.

Specifically, migratory bird regulations, international agreements on wildlife, waters, and pollution; the activities of the Canadian Wildlife Service; fish and game resources in the Northwest Territories and the Yukon; regulations governing the operation of pleasure boats; handgun legislation; fisheries experiments; and a host of others.

Nationally distributed outdoors publications carry ideas and suggestions from one part of the country to another, for the benefit of the country as a whole.

I am citing the case of outdoors magazines because I am familiar with that field, and because it is an important field to every Canadian. But what is being said about the outdoors field could be said about many other areas of particular interest in Canada that need a medium of expression.

Those of us in this field are often asked, "Why is there not a good Canadian outdoors magazine?"

On checking with them we usually find

"good" means thick, colourful, informative, and covering a wide enough range of outdoor subjects to include their special interest.

The answer, in part, you already have. Canadian outdoors magazines are already gone from our newsstands. But it goes deeper than that.

We have to compete for material, Canadian material from Canadian writers, with foreign publications that pay higher prices. And anyone who has written for a living will understand why the top-flight material leaves the country.

In use of colour and number of pages we can't compete with those foreign books which are primarily designed to satisfy the needs of a richer and more populated market.

Why can't we get Canadian advertising in sufficient volume? One reason is that the overflow of foreign outdoor magazines has held back the development in Canada of industries serving this field. Canada has no real gun or fishing tackle manufacturing industry on a national basis. And without a healthy industry serving those needs we cannot get advertising revenue.

Why don't U.S. manufacturers use Canadian outdoors magazines to reach Canadian sportsmen? Most rely on their overflow impact in U.S. outdoors magazines to cover this market ... and then bill their Canadian distributor for a part of the advertising bill.

There has been unselfish devotion of many Canadians over the past 60 years in the struggle to develop and keep alive a strong Canadian outdoors press.

I would not like to hazard a guess at the dollars that have been poured by publishing people in Canada into their attempts to put such a magazine across and keep its head above water.

That same devotion to the ideal of a Canadian outdoors publication has been shown by the people who have staffed many of these magazines, and by the free-lance writers who have sometimes sent articles for which they could have received a higher price by sending to other markets, and by artists and photographers who have contributed at fractional cost.

Not a few readers have remained wonderfully loyal to the smaller Canadian outdoors publications, in spite of the excellent and glittering fruit dangled before their eyes by the bigger, richer outside books.

We have lost the first 60 years in this battle.

In just the last twelve months we have seen two of the three remaining nationally distributed (by mail) outdoors publications in Canada merge. Rod & Gun in Canada, founded in 1898, 62 years old, has merged with Forest and Outdoors, formerly official organ of the

Canadian Forestry Association. The other remaining outdoors publication nationally distributed is Hunting and Fishing.

In a country that is not yet old enough to even be much concerned with our centenary, and in an industry that is not much over 70 years old, it is a very sad thing to see a 62 year old publication bite the dust.

I hope this Royal Commission is able to find a solution that will give this grand old girl, and many like her, a new lease on life, and provide an atmosphere for the birth of other small so-called "class" publications.

Before outlining possible approaches to the problems presented to this point, please allow me to enumerate a very few additional points.

Canadian business periodicals have a good record of getting things done for and by this country. They illustrate what a strong press can do.

Canadian business papers pay freelance writers at a rate equivalent to about 12½ per cent of the advertising page space rate, whereas United States business papers pay writers only about 5 per cent of the advertising space rate per page. Lest we get carried away, however, at this glimmer of light in a dark picture, we should remember the poor writer is still getting only $25 a page in Canada, if he is lucky and good, and that he usually

gets that only "on publication" ... which may mean a delay of one or two months or more in the arrival of his cheque. However, it does point up that Canadian business papers are doing better by their writers, proportionately, than are U.S. business papers and on a smaller volume too.

Most Canadian freelance writers are so busy scrambling for a living, their cultural contributions to the country may not be very great. There are brilliant exceptions. But is there a freelance writer not up to his ears in debt?

Canadian writers have to compete with canned or syndicated material coming from outside the country in radio, television and newspapers. For most writers this is almost impossible competition from an economic standpoint.

We all know that our Canadian manufacturing industry is largely foreign controlled. Possibly the Commission has considered the additional implications in this question of the rising foreign control of our Canadian advertising agencies? Or the impact that advertising policies made outside this country are having right now on media selection in Canada?

The Commission might examine the problems of trying to sell a Canadian magazine, either advertising or sales, (circulation) in the United States. I have run up against rather still walls -- and have had a man held up at the border because he was "taking a job away from an American". The nationalism of the United States is an effective barrier to our penitration of that market.

The Commission might also explore the difficulties of trying to deal with U.S. newsstand distribution agencies. You might find, as I did, that they want a premium to handle Canadian magazines. Such an expensive premium that it becomes an effective barrier.

The Commission might also find that there

are some inequalities in the customs charges between Canada and the United States on bulk shipped magazines.

Thank you for putting up with these expressions outside the point of this brief. Now back to the point.

There is a powerful need for Canada to have Canadian "class" as well as general and business periodicals.

The Canadian "class" periodicals have already lost the battle of the newsstand in this country.

Canadian magazines are losing money on every subscription sold. And so are United States produced magazines.

We cannot expect certain of our industries to grow as long as the need and demand for the products they might manufacture is created by interests outside this country and those products are supplied, at low duty, from outside the country.

We must admit that any regulation influencing this picture must, by its very nature, be discriminatory -- just as the collection of garbage by statute on certain days is discriminatory.

The three parts of this problem are-- first, overflow circulation sales in both subscription and newsstand; second, use by

American industry of U.S. overflow circulation to do their advertising sales job in Canada and its impact on not only Canadian periodicals but on Canadian industry; and third, Canadian editions of foreign publications.

Canada has legislation against dumping. It should be rather easy to prove that the product cost exceeds that charged -- or at least that returned to the publisher. Publishers have operated on the theory that circulation must cost them money. Possibly such a suggestion might require a change in the viewpoint of Canadian publishers, but charging what a product costs might appear logical to the Canadian public.

Stripped of their editorial content, magazines coming into Canada in bulk might be considerad catalogues. It is my belief that there already exists a tariff on such items of printing. This would have the effect of forcing printing in Canada or a raising of newsstand price of foreign produced magazines.

The two steps above, or some variation, would have the effect of solving the second problem -- encouraging outside advertisers to use Canadian magazines or other media, and providing a better atmosphere for the development of some Canadian industry.

While my suggestion on the third aspect,

foreign controlled Canadian editions, does not answer the immediate plight of the magazine industry, it would have a cautioning effect and a tendency to reduce the gall with which the present exploitation of this country is being accomplished. And this is simply in line with the announced intention of the Government of Canada to speed up the Canadianization of industry. The Commission might consider recommending that any such organization issuing "Canadian editions" hold a Canadian charter, that the majority of the voting stock be owned by Canadians, and that Canadians constitute a majority on the board of directors.

Unfortunately, it would seem that this is a one way street. For a Canadian publisher to successfully invade the United States market, it is necessary, apparently, to become a corporate citizen of that country, and to publish in the United States. I am actively contemplating such a step.

While my contribution to publishing is neither vast nor brilliant, I do have a product needed on both sides of the border. After three years of frustrations in attempting to move magazines south, I'm just about ready to start sending them north.

Obviously, it is much easier!

Thank you, gentlemen.

EXHIBIT NO. M-51: Submission of Reg. R. Fife.

COMMISSIONER JOHNSTON: Mr. Fife, I am a little puzzled about whether you are speaking as a writer or as a frustrated publisher?

MR. FIFE: I am speaking as a frustrated writer and publisher, sir.

COMMISSIONER JOHNSTON: Now, tell us about the newsstand sales, or lack of them. What happened there?

MR. FIFE: It is economically unfeasible to place a small Canadian outdoor publication, such as this on the newsstands and get an effective sale -- get an effective display and effective sale of copies to make it worthwhile. You lose too many of your newsstand sales.

COMMISSIONER JOHNSTON: Do the newsstand people refuse to ...

MR. FIFE: No. They do not, sir. But, they are dealing with individual operators of businesses and the individual operator has tied up a certain amount of money in magazines. He might have a dollar and a half tied up in this and might only sell four or five, or they might sit too long on his newsstand; therefore, he will turn in his copies in exchange for three or four or five copies of Life, which he knows will mmove more rapidly. His job is one of turnover on his newsstand.

COMMISSIONER JOHNSTON: That is the

individual newsstand operator you are talking about?

MR. FIFE: That is correct.

COMMISSIONER JOHNSTON: He has to pay for the magazine on delivery?

MR. FIFE: That is correct.

COMMISSIONER JOHNSTON: A publisher gets paid if, as and when?

MR. FIFE: That is correct, sir.

COMMISSIONER JOHNSTON: What is the competition in Canada from the United States for class magazines?

MR. FIFE: It is, in the outdoor field, quite high. We have three very excellent United States specifically outdoor magazines coming in, plus a considerable number of very good quality, general male appeal, adventure appeal, outdoors appeal-type magazines, such as True and Argosy, and others of that nature.

COMMISSIONER JOHNSTON: Would you call True and Argosy good magazines?

MR. FIFE: Excellent.

COMMISSIONER JOHNSTON: They appeal to the outdoor people interested in the outdoors?

MR. FIFE: They certainly do, sir.

THE CHAIRMAN: Is that what happened to the old girl that you put to bed permanently here on page 8?

MR. FIFE: That is one of the ones.

THE CHAIRMAN: What happened there? Why was there a merger between Rod and Gun and Canadian Forestry? Was this a United States competition?

MR. FIFE: I would say it had a considerable bearing on it. That, plus the increasing tendency of the advertising agency to buy mass product and class. There are many contributing factors, such as change in liquor advertising laws, or in tendencies to buy in this mass field, rather than the class field.

COMMISSIONER JOHNSTON: What sporting goods are manufactured in Canada -- rifles?

MR. FIFE: One.

COMMISSIONER JOHNSTON: Where is it made?

MR. FIFE: The old Couie that so many of us used as youngsters on the farm -- the old Couie .22 rifle.

COMMISSIONER JOHNSTON: That is the only one?

MR. FIFE: It is not really a quality product.

COMMISSIONER JOHNSTON: So, if you wanted a good sporting rifle, you would have to go elsewhere?

MR. FIFE: You would have to go to Europe or to the United States.

COMMISSIONER JOHNSTON: What about fishing tackle?

MR. FIFE: There are, in various areas,

pockets of industry; but, to secure national distribution, or -- They are not financed well enough to spread their distribution over the complete country. It is an expensive distribution setup for them.

COMMISSIONER JOHNSTON: What about that glass rod that is made by the John Inglis Company?

MR. FIFE: I do not believe they are making it any more, sir. They also were handling Browning at one time. They were assemling Browning rifles.

COMMISSIONER JOHNSTON: You talk here, rather vaguely, of shipping magazines to the United States. If you had a "made in Canada" magazine, could you not build up, or try to build up the subscription list in the United States?

MR. FIFE: I, sir, am now publishing an annual which covers various areas and it only comes out annually. Therefore, on annual circulation sales -- There is only a dollar involved in this, so that the annual circulation return hardly justifies an intensive mail campaign in the United States.

Our main area of distribution, in this case, is through Mariner, rather than newsstands. We have another annual which has been held up for just that reason, that we could not guarantee ourselves adequate distribution on the newsstands

in the United States.

THE CHAIRMAN: On an annual?

MR. FIFE: On an annual.

COMMISSIONER JOHNSTON: I know someone who publishes an annual. He has difficulty in Canada getting it on the newsstands. The distributors do not want to be bothered with it.

MR. FIFE: For precisely the reason that we discussed before of the individual newsstand operator not wanting to tie up his money and his space on the newsstand. They are hard to move; there is no question about it.

COMMISSIONER JOHNSTON: You would have to pay duty on this annual that you export to the United States?

MR. FIFE: When it goes in bulk, sir, and we were informed that the duty would be not on cost price, but on cover price, which is quite a sizeable factor in this instance.

COMMISSIONER JOHNSTON: That is, if you sell it for a dollar, the duty would be on the dollar, rather than on the wholesale cost?

MR. FIFE: That is right.

THE CHAIRMAN: Are you saying that an annual, coming from the United States to Canada, also marked a dollar -- an annual would come in free?

MR. FIFE: No, sir. I am not saying that;

but, I believe that there are inequalities in the rates charged.

THE CHAIRMAN: What is your publication, now, sir -- Rod and Gun?

MR. FIFE: No. It is Boating Guide.

THE CHAIRMAN: What is your difficulty, apart from the newsstands? Do you have difficulty with competition from the United States -- unfair competition?

MR. FIFE: There is no competition at all, sir.

THE CHAIRMAN: No competition? Well then, why did Rod and Gun go out of business, or why did it merge? What was its competition?

MR. FIFE: Its competition was of the male type, the male-appeal magazines that are flooding the newsstands.

THE CHAIRMAN: Oh, I see -- not magazines of a similar character, necessarily?

MR. FIFE: Not necessarily.

THE CHAIRMAN: Magazines that were crowding it out on the newsstands?

MR. FIFE: That is correct -- male type magazines, offering a gentleman a choice of many types of special interests. If he wanted his outdoor type, well, that was available.

THE CHAIRMAN: Did you ever have occasion to complain to the news vendor about your display

on their newsstand?

MR. FIFE: I have talked to news vendors from coast to coast.

THE CHAIRMAN: What do they say about this?

MR. FIFE: They are individual operators. They are in business to make money, the same as all of us hope to be.

THE CHAIRMAN: Do they determine this for themselves, or do people like Mr. Benjamin, who was here yesterday, or the Curtiss people; do they determine the thing?

MR. FIFE: I would imagine there is a certain amount -- I could not say for a fact, but I would imagine that there would be a certain amount of ...

THE CHAIRMAN: ..influence, shall we say?

MR. FIFE: Yes, I would think so.

THE CHAIRMAN: Persuasion...?

MR. FIFE: If a fellow is not doing an adequate job in any area.

THE CHAIRMAN: Not selling enough of the distributor's magazines?

MR. FIFE: Yes.

COMMISSIONER JOHNSTON: I do not know if you are correct. In fact, I think you are wrong when you say that a Canadian publisher who goes to the United States must become a United States citizen.

MR. FIFE: I am talking effectively, sir -- economically. In other words, I cannot get my books across that border, south, without an awful lot of trouble. I also found, for instance, that this particular book would be accepted for use in Canadian waters by Americans, but would not be accepted in the United States for American waters, even though the research was the same -- in fact, right on the same river, because of the nationalistic development in the United States which has caused them to reject or look suspiciously at anything that is foreign.

COMMISSIONER JOHNSTON: You say corporate citizen. I didn't notice that.

MR. FIFE: Corporate citizen, I have no intention of saying anything about American citizens.

COMMISSIONER JOHNSTON: That makes two of us.

MR. FIFE: Good.

COMMISSIONER JOHNSTON: You say you had someone rejected at the border because he might taken an American job?

MR. FIFE: He was held there four hours. He was asked why he was going across the border, business or pleasure. He said, business. What are you going to do? Well, they had to check all the way back and clear the thing up. They decided the business he would take out of the United States would not seriously jeopardize the economy and they let him through. It still happens, and it will happen each time you go across the border and state the purpose of your visit is business. They will inquire into it.

COMMISSIONER JOHNSTON: What occupation do you give when you cross the border?

MR. FIFE: In this case it would be a publisher or salesman.

COMMISSIONER JOHNSTON: Not a writer?

MR. FIFE: Not in this case, no.

COMMISSIONER JOHNSTON: I asked the question because I know a man who incautiously

said he was a writer, and they thought he was a Communist newsman, but the next time when he went across he identified himself as an advertising writer and he went right through without any discussion.

THE CHAIRMAN: I must say this talk about the border, people being held up, this happens all the time in our own border. I know of cases of Americans who are held up. I do not think we should stress it too much. There is a little difficulty over the Russian border at the present time. Talk like this does not help us reach a cool conclusion of this problem, but thank you very much, sir, for coming here.

THE CHAIRMAN: Mr. Levesque.

MR. LEVESQUE: Mr. Chairman, I would like to present Mr. George A. Plummer, President of Montreal Typographical Union 176; Mr. Gaston Dorais, Business Agent of the Montreal Photoengravers Union 91; Mr. Roger Gagnon, International Representative for the International Pressmans Union; Mr. Frank Parrish, Secretary of the Montreal Stereotypers Union and myself, Andre Levesque, President of the Federation of Printing Trades Unions of the Province of Quebec.

I would like to read my brief in French, Mr. Chairman, and I will be pleased to answer your questions in English.

SUBMISSION OF THE FEDERATION OF INTERNATIONAL PRINTING TRADE UNIONS OF THE PROVINCE OF QUEBEC:

Appearances: Mr. A. Levesque.

Mr. G.A. Plummer.

Mr. G. Dorais.

Mr. Frank Parrish.

Mr. R. Gagnon.

THE CHAIRMAN: Thank you, sir.

---(French)

SUBMISSION OF GEORGE J. WESLEY:

THE CHAIRMAN: Will you identify yourself?

MR. WESLEY: My name is George Wesley and I am appearing as a private citizen.

Mr. Chairman, I am not Canadian born as you will realize, but after twelve years in Canada I consider myself as being a Canadian, and your problems have become my problems.

I wrote freelance articles on the Continent and I am occasionally publishing in Canada.

This is close to the end of the hearing and I have therefore purposely cut my remarks short as I do not wish to be repetitous.

During your investigation you have heard many complaints and much criticism. May I, as an interested citizen and so-called freelance writer, bring forward a few observations which I hope will be of a constructive nature.

Personally, I have always opposed the American influence in every way of our life. But I feel that many recent allegations such as "the American press is controlling and exploiting the Canadian market" are grossly overstated and in the case of some publications unjustified.

Even a brief analysis of the present conditions may bring the problem into a different light.

Whether we like it or not, Canada, due

to its geographical proximity, is just a replica of United States in many aspects of life.

In the publishing field, the facilities of a free entry have thrown the Canadian market open to American publications.

However, our media, and especially the periodical press have contributed to this regrettable state of affairs. They have failed to create our own Canadian journalistic and literary climate and have ignored in the past issues of national interest to Canadian readers.

It is, of course, easier to be pleasing than leading and to ask for drastic protective measures.

We cannot in the same breath condemn and accuse all American publications without making a distinction from among them. Basically, we can divide the American publications into the following groups:

(1) Political and cultural magazines such as Time, Life, Atlantic, National Geographic.

(2) Business publications such as Newsweek, Businessweek, Fortune and all trade magazines.

(3) Women and hobby magazines, such as Ladies Home Journal, Saturday Evening Post and so-called "confession" magazines.

(4) Salacious editions such as Esquire, Playboy, Rock Argosy and others.

Canadian readers have greatly benefited from the first group, which have opened new horizons and kept them informed about issues the Canadian press have neglected. This group represents an asset in our political and cultural orientation, and until such a time that we are ready to replace them by similar Canadian magazines, all we can ask for or force by higher tariffs is that they should have their editorial offices here and print in Canada.

Canadian business and manufacturing have gained by taking information from American trade and business magazines, learning about the business practices of the great North American continent.

We have already now many Canadian trade publications and a customs duty of 25 per cent would give our publishers a satisfactory equalization margin. This measure would also stimulate new publications in these fields, where there is still room.

The third group, which include all sorts of ladies "confession" magazines, did not have any good influence on the taste of the Canadian reading public. Even those who claim a better standing specialize in cheap sentimental stories and are primarily interested in advertising as their main source of income.

American magazines for teenagers will hardly produce a lady or a gentleman and are a regrettable evidence of complete disregard for the problems of

our young people.

This group represents, however, a challenge to our publishers and editors to produce Canadian magazines of a better standard.

Last but not the least important group which represents a great proportion of imported publications are those pornographic magazines. These are detrimental to the customs and morals of our people and should come under close investigation during the present enquiry.

Generally, we should give credit to American publications for opening up the Canadian market and creating interest in reading in this country. We cannot blame them for representing the American point of view, just as we cannot expect the popular "Paris Match" to express the opinions of the French Canadian.

Before any preventive or protective tariffs are imposed, we should be ready to replace these publications by good Canadian reading material. We may possibly be ready technically, but editorially and as a nation we are probably not ready.

While an increase in tariffs seems today to be a necessity, it should follow the principle of reciprocity, in order to give our publications an equal standing and even possibilities.

It would be, however, of little value if Canadian editors with all protective tariffs and government subsidies, would continue to follow the

conformist pattern of American publishers and produce only Canadian imitations of American magazines.

The real issue seems to be the necessity to reach a new distinctive Canadian concept of journalism.

On this occasion, one should draw the attention of the Commission to the position of freelance writers in Canada, who, up to the present time have virtually no opportunity of contributing to Canadian publications.

What we are certainly lacking is a publication which would be a platform for issues of national importance and a sounding board for opinions. I propose that some of our magazines should publish a special supplement "The Nation" -- or "The Canadian Forum" -- which, unhampered by advertising should give freelance writers from economic, social, political and university circles an equal opportunity against the staff writers.

Such a supplement could, at least for some time, receive a government subsidy. Should our publisher consider such publication as non lucrative, I suggest that such a "Canadian Forum" should be published under the auspices of the Canadian Council.

The costs of similar publications were already established during this enquiry and the importance and influence of such a magazine under the pressure of present problems does not require any further justification.

THE CHAIRMAN: Thank you. There is just one observation I would like to make. You have stated here, and it has gone into our records, that Esquire is a salacious magazine. I do not know if you have been reading Esquire recently.

MR. WESLEY: I would say this is a typical example of making money from pornographic ---

THE CHAIRMAN: It does nothing of the sort. There was such a day, but when did you stop reading it?

MR. WESLEY: I feel this is a typical example of a magazine making money from distributing very poor material of a pornographic nature and then after they have made money for a number of years they would become respectable.

THE CHAIRMAN: That is not what you said in the first place.

Thank you very much.

SUBMISSION OF JULIAN HUVEN:

THE CHAIRMAN: Will you identify yourself?

MR. HUVEN: I am editor of a new national magazine, "Canada", which has not yet seen the light of day.

During the last few weeks you have heard pleas for tariffs and restrictions against foreign publications, you have listened to people who want to preserve the Canadian indentity, Canadian dollars and the freedom of the press.

I will not elaborate on the importance of the freedom of the press or, for that matter, the importance of a Canadian identity.

As an English publisher who, for the past 2½ years, has studied the field in preparation for a new magazine in Canada, I have had the opportunity to observe the industry in a detached, and yet vitally interested manner. I hope that my observations will be of some use when you form your judgment and recommendations.

According to my observation, the consumer section of the publishing industry suffers from a misconception, as to its primary function. Consumer magazines are used as vehicles for advertising material, and thus profits. Editorial contents are merely incidental. This is reflected in the mildness of editorial opinions, cheap and shoddy productions, and the indiscriminate variety of advertising material.

The publishers of consumer magazines have no point of view, have nothing important to say, and have no greater pre-occupation than the yearly balance sheet. Under those conditions it is no wonder that their position is precarious.

If, instead of lamenting that others steal Canadian advertising revenues, that the country is so vast, the population so sparse, they would shed the idea that their main object should be revenue; if they would recognize the fundamental point of publishing, in effect, their responsibility to the reader, instead of bribing subscribers with cheap offers; if they would infuse their editorial pages with vigorous material enhanced by imaginative lay-out printed on good quality paper; if, instead of imitating existing American publications they would come out with their own ideas, Canadian consumer magazines would thrive, without assistance from anyone.

It must become clear from this that they do not suffer so much from unfair competition from the two giants, Time Magazine and Reader's Digest, as from their own shortcomings. They are secondhand, second-rate, colourless affairs, which cannot hope to compete with any magazine based on an original idea.

Both Reader's Digest and Time Magazine are a threat to our publishers, not because of their financial strength, but because of their originality. They started and grew not as

vehicles for advertising and collectors of advertising revenues, but as true publishing ventures, exponents and expounders of new ideas in publishing. As such they gained circulation, financial strength and power. To fight them we need no government legislation, merely new and better ideas.

In fact, with imagination on our side, we would have a great deal more to gain by leaving the frontiers open than by having them shut. The vast American market is open to us, just as our, admittedly limited market, is open to them.

In the meantime, the cry that Canadian money should be spent in Canadian publications because they are Canadian, is narrow minded and, indeed, futile. Every advertiser has a more or less limited budget at his disposal, and he will naturally spend it where it will do the most good. This does not necessarily mean magazines with the largest circulation, because the quality of circulation is of importance too. It does mean, however, that the choice of publication must be left to him.

Up to now I have pointed out why no restrictions should be placed on foreign publications, and that publishers of existing magazines should look to their own resources and imagination for remedies of their ailment. Quite frankly, I do not believe that they are capable of the sudden switch from being followers and second-handers to becoming leaders and original thinkers. This Commission

might be instrumental, however, in paving the way to the launching of new publishing ventures which would fill the enormous gap now existing. At present, the possible new ventures suffer from a chronic lack of risk funds and the narrow minded jealousy of existing publishing houses.

Mr. Fowler, in his excellent brief, mentioned a few roads open to us...I would go further: The success or failure of new ventures depends not so much on tax relief or postal concessions, as on the original capital which is virtually unobtainable in Canada.

If we could establish, therefore, a sinking fund for new publications, we would go a long way toward helping the industry. This fund could be administered by the Canada Council, and be expended in the form of loans, to be returned when no longer required.

The establishment of such a fund would not require a great deal of legislation, nor would it encounter administrative difficulties, as the Canada Council, at present, does award assistance to deserving publications. The crux of the matter lies in the timing. By statute the Council is prevented from assisting any publication before the several issues have appeared time when risk capital is most desperately needed to keep the publisher on his feet.

If, as a result of this Commission, a fund

like this could be established, we would have taken a great step toward steering the industry to healthier roads.

COMMISSIONER JOHNSTON: Mr. Huven, tell us something about yourself.

MR. HUVEN: By profession I am an editor and a publisher. I was editing and publishing a magazine in England of which I will hand you a few copies.

COMMISSIONER JOHNSTON: Was it a successful magazine?

MR. HUVEN: Yes, reasonably successful. For the last two and a half years I have been engaged in building a new national magazine in Canada. This is a short dummy of the first issue; it is not out yet.

COMMISSIONER JOHNSTON: Is this the publication --

MR. HUVEN: -- which I am preparing in Canada, yes.

COMMISSIONER JOHNSTON: There was a lady here yesterday speaking of a new magazine in Canada. Was she speaking of yours?

MR. HUVEN: No.

COMMISSIONER JOHNSTON: The Canada Council: Do you think its function is to finance magazines?

MR. HUVEN: I think its function could be and should be to finance magazines with the prime

object of saying something, something constructive, something important. Yes, I think it is their function.

COMMISSIONER JOHNSTON: What magazines are being assisted by it now?

MR. HUVEN: I do not know whether today it is so but I know that until recently Canadian Art was subsidized.

COMMISSIONER JOHNSTON: That was not really a commercial proposition.

MR. HUVEN: I am talking primarily of magazines which have something to say. A year ago I took steps to consider it as a non-profit organization.

COMMISSIONER JOHNSTON: You are planning --

MR. HUVEN: -- to publish it as a non-profit organization, although this magazine will undoubtedly produce a great deal of revenue.

COMMISSIONER JOHNSTON: I do not intend to defend Maclean's magazine; they are appearing before us later and I have noticed over the years that they seem to be fairly well able to take care of themselves. Are you saying that the vast American market is open to us just as our admittedly limited market is open to them?

MR. HUVEN: Yes.

COMMISSIONER JOHNSTON: We have had some evidence indicating that there are obstacles to promoting a Canadian magazine in the United

States.

MR. HUVEN: I have experienced a great deal of help in the States. In fact I was told in the States that if we can produce a magazine which will have a very definite point of view on a very high level, that not only would they accept it but they would welcome it because they know that if we will be constructive in our criticism we will not be vicious for the sake of being vicious to them, we will have something to say and we will probably criticize them very severely but not for the sake of criticizing the States; we are neighbours.

COMMISSIONER JOHNSTON: Have you made a study of the Canadian market for circulation?

MR. HUVEN: I can get in Canada 20,000. The maximum in Canada at the present time for magazines of very high calibre is 30,000.

COMMISSIONER JOHNSTON: What prices?

MR. HUVEN: $1.25, $15 a year.

COMMISSIONER JOHNSTON: I do not know whether you come under the class of "little" magazines that the Chairman promotes.

MR. HUVEN: In the States there is only one magazine similar in conception to my own and that is Horizon.

COMMISSIONER JOHNSTON: It is non-commercial?

MR. HUVEN: No, it is commercial, in fact they netted $7 million last year and they

started with a capital of $64,000.

THE CHAIRMAN: This (*indicating the dummy*) would be the character of your magazine?

MR. HUVEN: Yes.

THE CHAIRMAN: You will take advertising?

MR. HUVEN: I will.

THE CHAIRMAN: I see KLM.

MR. HUVEN: Yes.

THE CHAIRMAN: I wish you luck with your venture. You have an impressive list of writers; some of them are pretty famous and pretty good, and you will do all right I hope. I wish you every success.

Thank you very much for coming.

Gentlemen, I think this concludes our sittings in Montreal. Before we adjourn we would like to thank, first, the people who provided us with this hall, although, I expect we paid something for it; and to thank all the participants who came here and gave us some many views, so many challenging views; and thank the press for an excellent coverage of the proceedings here and thank the dear ladies who got out the record every morning marvelously accurately. I must apologize for the irrascible tempers of my two colleagues.

---Whereupon the hearing adjourned to meet on Monday, December 12th, 1960, at Toronto.

ROYAL COMMISSION ON

Publications

HEARINGS

HELD AT

MONTREAL
(FRENCH)

VOLUME No.: 18

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Nous acceptons avec empressement la cordiale invitation de la Commission Royale d'enquête sur les Publications de lui faire parvenir, avant le 15 novembre, un mémoire ayant trait aux périodiques canadiens en regard de la concurrence américaine. Nous nous bornerons toutefois aux problèmes qui nous concernent plus particulièrement.

Service de Sécurité Industrielle Inc. publie depuis peu un magazine unique en son genre au Canada qui a pour titre: "SECURITE INDUSTRIELLE - INDUSTRIAL SAFETY". Comme son nom l'indique, il s'agit d'une publication bilingue. Les éditeurs l'ont voulu ainsi pour qu'elle soit répandue dans les 10 provinces. Cette revue étant d'abord québécoise, il va sans dire que le français y a une plus grande part que l'anglais.

Comme l'indique son nom, cette revue se spécialise en sécurité industrielle puisqu'elle a précisément pour but d'éduquer la masse des ouvriers et les industriels sur l'importance, tant pour les travailleurs que pour les employeurs, de la sécurité au travail.

Ce magazine est unique en son genre non pas en raison de son caractère bilingue, mais du fait qu'il traite de l'aspect sécuritaire au travail sur le plan national. Chaque

province y a son compte de sorte qu'une province pourra bénéficier de ce qui se fait dans une autre en ce domaine.

Certains organismes de prévention publient un périodique traitant particulièrement de sécurité, mais ces publications sont limitées à une sphère particulière comme par exemple, l'industrie des pâtes et papiers, pour n'en citer qu'une. Il en est de même pour certaines industries de grande envergure, qui pour stimuler l'intérêt de leurs employés en matière de prévention des accidents du travail, publient une feuille mensuelle traitant de diverses questions relatives à la sécurité. Contrairement au bulletin du Conseil National de la Sécurité, cette revue bilingue se spécialise uniquement en sécurité industrielle alors que le périodique publié par N.S.C. embrasse une sphère plus vaste allant de la prévention des incendies à la sécurité routière.

Ce magazine n'est pasparfait, loin de là. Nous qui l'avons créé sommes les premiers à le reconnaître. Il faut toutefois faire preuve d'un peu de clémence à notre égard en considérant que c'est une nouvelle revue dont le premier numéro n'est sorti des presses que le 1er novembre 1960. On compte, avec le temps et des capitaux plus considérables, l'améliorer sensiblement grâce à une collaboration plus étroite

de quelques experts en la matière.

Bien que ce soit là le premier magazine national du genre au Canada, il ne faut pas se faire d'illusion en sautant à la conclusion qu'il n'y a pas de concurrence. Malheureusement, tel n'est pas le cas. Nos voisins d'outre-frontières nous font une forte concurrence qu'il ne nous sera pas facile de combattre avec nos ressources financières bien faibles à côté de celles du National Safety Council, de Chicago. En effet, l'organe officiel de cet organisme, subventionné par l'Etat, National Safety New, est distribué sur une grande échelle au Canada. Il n'y a pas à s'en étonner outre mesure pour plusieurs raisons dont voici les principales. C'est d'abord une excellente publication à tous points de vue et jusqu'à tout récemment, il n'y avait aucune revue semblable publiée au Canada même. Nous n'avons pas la prétention de comparer notre modeste magazine naissant à cette revue américaine de première qualité publiée depuis près d'un demi-siècle.

Il est à noter toutefois que notre magazine est un nain à côté de ce géant américain publié par un organisme qui, d'après nos renseignements, n'est même pas, sauf erreur, enregistré au Canada et encore moins incorporé chez nous, contrairement à nombre d'autres publications améri-

caines qui, au moins, possèdent un bureau canadien.

Loin de nous l'intention de discréditer une publication concurrente. Nous visons simplement à regarder et à faire voir les choses bien en face. Or, vous ademettrez messieurs que National Safety News, malgré toutes ses qualités, n'est pas moins une importation pure et simple solidement implantée au Canada.

Service de Sécurité Industrielle Inc., de Montréal, Canada, n'est pas subventionné par l'Etat comme c'est pourtant le cas de National Safety Council, de Chicago, U.S.A. Bien que National Safety Council, suivant sa chartre, soit un organisme non lucratif, il vend néanmoins ses services tels que affiches, films, revues, etc.

Service de Sécurité Industrielle Inc. n'est subventionné ni par le fédéral ni par le provincial parce qu'il s'agit d'une entreprise commerciale qui entend réaliser des profits. Comment alors parvenir à offrir à l'industrie canadienne des services de première qualité tout en réalisant des profits raisonnables, quand on a affaire à un compétiteur géant tel que National Safety News? Bien que, franchement parlant, ce nain que nous sommes n'est pas de taille à affronter ce géant américain, qu'il soit dit en passant que, tout comme David devant Goliath, nous avons une arme que nos concurrents

n'ont pas.

En effet, le Canada est bilingue, c'est-à-dire, que le français est langue officielle à l'égal de l'anglais. Possédant une double culture, le Canada est donc sur ce point supérieur à notre voisin du Sud. Voilà notre arme secrète. Vous admettrez messieurs qu'on ne peut s'attendre de recevoir de Chicago, U.S.A. des services de sécurité industrielle en FRANCAIS tel que revues, films éducationnels affiches, cours de sécurité par correspondance, etc.

Or le Québec étant une province industrielle essentiellement française, l'industrie québécoise a besoin de ces services FRANCAIS. C'est là la seule raison d'être du Service de Sécurité Industrielle Inc. N'eut été de ce besoin, nous n'existerions pas. Si nous existons aujourd'hui, c'est parce qu'une enquête approfondie a révélé que l'industrie québécoise se passerait volontiers de Chicago si on pouvait lui substituer un équivalent français. Or voilà précisément ce qu'offre le Service de Sécurité Industrielle Inc.

Nous en sommes encore au stage préliminaire. Nous ne pouvons nous permettre, pour le moment du moins, de publier deux éditions, soit une en français et une seconde en anglais. Cela viendra plus tard. Pour le moment, on doit

se contenter de publier une revue bilingue dans laquelle le français prime sur l'anglais parce que ce magazine, bien que national, est d'abord destiné au Québec.

Voilà qui répond à la première question envisagée par cette Commission Royale d'Enquête sur les Publications.

Pour ce qui est de la seconde question ayant trait aux mesures qui s'imposent dans les circonstances, n'y aurait-il pas lieu d'exiger au moins l'incorporation obligatoire des compagnies ou organismes dont les publications sont largement distribuées au Canada. L'Etat y gagnerait en réclamant sa part de la taxe des corporations. Car notre but n'est pas d'éclipser notre unique compétiteur, mais de lui faire une lutte juste. Or nous, qui ne sommes pas subventionnés par l'Etat, devons néanmoins remettre à l'Etat, sous forme d'impôt, une part de nos profits, alors que notre compétiteur lui, en l'occurence National Safety council, en plus de vendre ses services à l'industrie canadienne, notamment sa revue, ne paie pas de taxe sur les profits réalisés au Canada.

Bien que nous ne soyons pas socialistes, nous favorisons (tels les libéraux et les conservateurs), les allo-

cations familiales, l'assurance-santé, etc. Nous sommes et entendons demeurer une entreprise privée, néanmoins, nous soumettons humblement à votre bienveillante attention qu'une subvention de l'Etat aiderait considérablement cette noble cause canadienne. Entendons-nous sur ce point capital. Cette subvention pourrait être accordée aussi longtemps que la revue serait déficitaire. Du moment où les abonnements et les annonces rapporteront des profits, la subvention d'Etat cesserait automatiquement. Or, dans le cas du magazine, SECURITE INDUSTRIELLE, nous ne prévoyons pas réaliser de profit au cours des premiers mois. Au cours de la seconde année, nous escomptons réalise suffisamment de gains pour reprendre le capital initial investi dans les 12 premiers numéros. A ce compte, il suffirait d'une généreuse subvention pour la première année et le canadianisme serait sauf. Bien entendu, il faudrait d'abord publier un premier numéro pour avoir droit à cette subvention d'Etat pour permettre aux autorités fédérales de juger si cette publication est rentable et mérite d'être subventionnée. Quant à la nôtre, avec ou sans l'aide financière de l'Etat, elle vivra.

Nous vous remercions, monsieur le président et messieurs les membres de la Commission, de nous avoir founi l'occasion de vous soumettre humblement ces quelques ren-

seignements uniquement dans le but de vous éclairer sur votre mission.

INDUSTRIAL SAFETY-SECURITE INDUSTRIELLE

Jacques A. Lupien, rédacteur en chef

Marcel C. Lépine, propriétaire

Jean V. Normandin, propriétaire

84 ouest, Notre-Dame,
Suite 91,
Montréal, P.Q.

PAR MONSIEUR BEAUBIEN:

Voulez-vous répéter brièvement quel est l'historique de votre publication, quels sont les buts de votre publication?

PAR MONSIEUR JACQUES LUPIEN:

Avant de lancer l'affaire, la compagnie a d'abord faire une enquête sérieuse qui a duré plus de six mois à travers la province de Québec auprès des grosses industries et en particulier l'Aluminum Company, Dominion Textile, Molson Breweries ont fait savoir qu'ils apprécieraient avoir des services de prévention de sécurité du travail en français,

des magazines, des films, des cours, etc., parce que la main d'oeuvre de la province de Québec est à 80% de langue française.

Alors, le travail de base, en prévention, devrait se faire en français et non pas en anglais pour obtenir des résultats concrets; c'est à la suite de cette enquête-là que les intérêts privés se sont lancés dans cette entreprise-là.

PAR MONSIEUR BEAUBIEN,
Commissaire:

Alors, vous avez comme but d'avoir un magazine français, en français, qui traite le sujet de sécurité.....?

PAR MONSIEUR JACQUES LUPIEN:

C'est un magazine bilingue qui traite de sécurité, il est bilingue parce qu'il est destiné non seulement à la classe ouvrière, mais également à la classe....., aux chefs d'entreprises et dont le grand nombre sont de langue anglaise.

Maintenant, ce magazine-là, le premier numéro qui a été publié en décembre a été distribué dans à peu près toutes les provinces. On a reçu des éloges de Toronto, de Vancouver, de St-Jean, Nouveau-Brunswick, qui ont apprécié

nos efforts, alors que du côté des québécois, on a eu aucun résultat.

PAR MONSIEUR BEAUBIEN,

Commissaire:

D'où obtenez-vous vos revenus, principalement de l'annonce ou des souscriptions.....?

PAR MONSIEUR JACQUES LUPIEN,

On a aucun revenu à date et l'on ne prévoit pas d'en avoir avant plusieurs mois. C'est simplement....., on publie à perte et un capital a été investi dans cette entreprise-là et on ne prévoit pas avoir de revenus avant plusieurs mois par les abonnements et ce n'est qu'après avoir obtenu une circulation raisonnable que l'on aura des annonces.

PAR MONSIEUR BEAUBIEN,

Commissaire:

En général, ne croyez-vous pas qu'un tel mouvement devrait être fait par des organisations sans but lucratif, quand il s'agit de chose comme la sécurité....?

PAR MONSIEUR JACQUES LUPIEN:

Il existe au Québec comme dans toutes les autres

provinces, il y a ici de la subvention préventionnelle, les subventions proviennent de la Commission des Accidents du Travail qui est un organisme indépendantant du Gouvernement. Les revenus de la Commission proviennent non pas du Trésor, mais de l'industrie. Alors, cet organisme-là nous a mis des bâtons dans les roues sous prétexte que la prévention était son domaine exclusif depuis vingt-neuf (29) ans.

Maintenant, cet organisme-là ne déssert que principalement l'ile de Montréal et une certaine catégorie d'industries. Les grosses industries comme les mines, les usines de pulpe à papier ont leur propre organisme et cette revue ici sert en quelque sorte de trait d'union en ce qui a trait au domaine de la prévention des Accidents du Travail, c'est un trait d'union entre les dix provinces. On a des correspondants dans chaque province et pour savoir ce qui se fait en Colombie Britannique, et à Terreneuve autant que dans le Québec, pour que chaque province puisse bénéficier de ce qui se fait dans ce domaine-là.....

PAR MONSIEUR BEAUBIEN,

Commissaire:

Voulez-vous me dire si National Safety Council est

est organisation sans but lucratif?

PAR MONSIEUR JACQUES LUPIEN:

C'est indiqué sur la revue "Safety News", et "Non profitable organization," qui reçoivent, qui sont subventionnées par Washington, alors que nous autres étant une organisation, une entreprise commerciale, on a pas le droit de bénéficier de l'aide de la Commission des Accidents du Travail, des règlements stipulant que seules les associations sans but lucratif peuvent en bénéficier. Alors, on espère réussir, mais en passant à travers de multiples obstacles et en investissant un capital initial assez considérable.

PAR MONSIEUR BEAUBIEN,
Commissaire:

Merci, monsieur.

RAPPORT DE M. JEAN-CHARLES HARVEY, directeur de la publication "Le Petit Journal".

La présente enquête royale sur les publications n'aurait jamais eu lieu je crois si certains magazine étrangers n'avaient pas absorbé une portion notable de la publicité canadienne. Nos "publishers" ont cru, avec raison peut-être, que le marché domestique de l'annonce leur appartenait de droit et qu'un pays voisin ne pouvait l'envahir sans commettre une sorte de braconnage. Et ils ont trouvé d'excellentes raisons pour démontrer qu'ils étaient victimes d'une concurrence déloyale.

Le problème est d'ordre économique avant tout. Il est légitime que le débat porte sur cet aspect de la question. Il est normal que chacun défende ses intérêts par les moyens dles plus efficaces. Aussi n'est-ce pas mon intention de blâmer le moindrement ceux de nos compatriotes qui voudraient mobiliser la puissance de l'Etat pour écarter des rivalités gênantes et protéger leurs propres entreprises.

Ici, je dois remarquer qu'un autre mémoire portant sur la question économique de nos publications sera adressé à la Commission, parce que le mémoire n'a pas pu être terminé à temps, et l'auteur en sera le gérant de rédaction,

monsieur Lafortune.

Malheureusement, la discussion n'est pas restée sur ce terrain. S'il faut en croire les résumés de journaux, plusieurs des intéressés ont émis des opinions qui, à mon sens, débordent les cadres de cette enquête, et cela, dans le but d'obtenir de l'Etat des mesures restrictives dont l'application porterait sûrement atteinte à la liberté de la presse et aux droits du public souverain.

Or, en ma qualité d'écrivain et de journaliste, j'ai toujours cru qu'il fallait se défier des interventions de l'autorité, quelle qu'elle soit, dans le domaine du livre et du journal. Par ces interventions, on prétend nous protéger. C'est une protection dangereuse, dont nous pourrions généralement nous passer. Elle est d'ailleurs humiliante et souvent injuste pour tout homme arrivé à maturité.

C'est la raison pour laquelle j'ai décidé, après bien des hésitations, à comparaître devant cette Commission Royale. D'autres on traité mieux que je ne saurais le faire le côté affaires de cette enquête. Je me bornerai à deux ou trois observations que m'ont inspirées certains plaidoyers entendus ici même.

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Tout d'abord, on a affirmé que l'énorme diffusion de magazines étrangers, notamment américains, sur le marché local, ne présentait qu'une quantité infime d'information canadienne, alors que nos propres magazines étaient faits avec du matériel presque exclusivement canadien. De la sorte, disait-on, les lecteurs du produit importé sont très mal ou incomplètement renseignés sur les affaires de leur propre pays. Donc, le produit national doit jouir d'une protection spéciale, si l'on veut que nos concitoyens soient mis au courant de la vie canadienne.

Je veux bien croire que les auteurs d'un tel argument sont sincères; mais est-il vrai que les Canadiens n'ont pas, à leur disposition, suffisamment d'imprimés pour les renseigner sur la vie de chez nous? Car, il n'y a pas que les revues et magazines chez les dépositaires. Le Globe & Mail, le Star et le Telegram, de Toronto, le Vancouver Sun et le Vancouver Province, le Free Press de Winnipeg, le Citizen et le Journal, d'Ottawa, la Presse, le Star, le Devoir Montréal-Matin, de Montréal, le Soleil et l'Action Catholique de Québec, le Halifax Herald pour ne nommer que ces quelques quotidiens, et les hebdos tels que le Star Weekly, Toronto, Weekend-Perspectives, Family Herald, Le Petit Journal, de Montréal, et autres feuilles à grand tirage, sont

autant de véhicules de la pensée et du fait canadiens. On peut dire qu'ils pénètrent dans presque tous les foyers de ce pays, de sorte qu'il n'existe aucun danger pour notre public, de perdre contact avec les affaires canadiennes, du fait de l'envahissement des publications étrangères. Notez bien, d'ailleurs, que les éditions de fin de semaine de certains quotidiens et nos grands hebdos sont de véritables magazines qui ne semblent pas souffrir de la conccurence américaine, du moins sur le marché français.

Quelques-uns ont cru défendre leur cause en invoquant le danger que font courir à notre morale et à notre culture les publications étrangères. Il leur faudrait d'abord prouver que notre culture - si elle existe vraiment et notre morale valent mieux que celles de nos voisins. Ils ont oublié de le faire. D'aucuns chercheront à expliquer par la lecture de ces écrits importés la vague de crimes, surtout la délinquence juvénile. Sont-ils vraiment sérieux? En supposant que 3% de nos adolescents soient des délinquants, il en reste tout de même 97% qui se conduisent décemment et qui, peut-être, se sont nourris de lectures de toute sorte, alors que les délinquants - 3% du total - sont probablement ceux qui n'ont à peu près jamais rien lu. Il arrive souvent

que les gardiens de la morale, pour s'innocenter, font porter sur des causes imaginaires ou hypothétiques, des responsabilités qu'ils devraient, il semble, partager eux-mêmes.

Plusieurs de nos moralistes, hantés par la question sexuelle, voudraient jeter du discrédit sur nombre de revues de France, de Grande-Bretagne et des Etats-Unis, sous prétexte que des photos peu recommandables s'y étalent. Je veux bien qu'il y ait, de ce côté, quelques excès; mais les publications ainsi visées ne sont sûrement pas obscènes, et je protesterais énergiquement contre toute mesure qui, un jour, donnerait raison à une pudibonderie abjecte contre le bon sens et la saine joie de vivre.

C'est la culture canadienne qui est le plus menacée, dit-on encore. Quelle culture? Qui peut nous définir ce qu'est- ce que sera la culture canadienne? Personne ne l'a fait encore. La culture d'un peuple, d'une nation, ne se compare pas précisément au sirop d'érable et aux bluets du Lac St-Jean, aux pins de la Colombie ou aux "gold eye" de Winnipeg, qui sont spécifiquement régionaux. Elle se forme de tous les éléments culturels du monde. C'est après avoir puisé abondamment à même les trésors spirituels

de l'antiquité, puis de pays civilisés comme la France, la Grande-Bretagne, l'Italie, l'Allemagne et autres régions du globe, que l'on parvient à former une culture qui participe à la fois de l'universel et du national. En d'autres termes, nous avons encore beaucoup à apprendre de l'étranger, avant de nous vanter de posséder une culture autochtone. Même les Etats-Unis ont beaucoup à nous offrir, car, en raison de leur immense population et de leur richesse, ils nous dépassent dans tous les domaines. Nombre de leurs revues et journaux sont meilleurs que les nôtres; leurs romans sont meilleurs que les nôtres; leur théâtre est meilleur que le nôtre; leur musique est plus développée que la nôtre. De même pour leur science et leur technique. Force nous est de prendre d'eux ce qu'ils ont de mieux, au risque de nous frotter à ce qu'ils ont de pire. Ce n'est qu'à cette condition que nous parviendrons à participer au mouvement de création originale de l'Amérique du Nord. Car nous sommes bien plus des Nord-Américains que des Français ou des Anglais. A quoi nous servirait d'avoir fondé et développé de grands pays sur ce continent, si nous nous condamnons à demeurer éternellement des imitateurs serviles de patries que nos ancêtres ont abandonnées.

Quant à moi, je me sentirais très fier, le jour où la France et la Grande-Bretagne susciteraient une enquête d'Etat pour organiser la défense de sa morale et de de sa culture contre les publications canadiennes, le jour aussi où les Etats-Unis feraient de même pour protéger, à leur tour leur culture et leur morale contre nos revues et journaux. Ce serait le signe de notre supériorité, et nous devons y viser peut-être. Je ne verrai jamais ce jour-là; mais pensons à nos descendants.

Je sais bien que le but de la présente enquête ne vise nullement à empêcher l'entrée au Canada des écrits de l'extérieur; mais si, pour plaire à certains groupes de "publishers", on en vient à gêner la diffusion des écrits du dehors, on aura fait un premier pas vers d'autres mesures contraires peut-être à la liberté de lire et de choisir ses lectures.

Pour conclure, je suis d'avis que toute mesure de protection qui aurait pour effet de réduire la libre circulation des périodiques de provenance étrangère doit être rigoureusement écartée.

Que si l'édition canadienne souffrait trop de la concurrence, je ne vois guère d'autre remède, pour l'heure,

qu'une aide officielle pour les publications qui se recommandent par leur qualité et leur utilité.

Déjà, le principe des subventions a été consacré par le Conseil des Arts, qui sustente certaines initiatives de l'édition. Rien n'empêche le Canada, il semble, de donner plus d'expansion à cette admirable fondation et d'assurer ainsi la durée des entreprises dignes de vivre parce qu'elles sont au service de l'esprit.

Au fond, le mal qui, au Canada, affecte le livre et le périodique, c'est bien plus une insuffisance de population ou de marché qu'une concurrence étrangère. Comme l'indiquait hier l'excellent remancier Hugh MacLennan, lorsque notre pays comptera 30,000,000 d'habitants, le problème sera bien près d'être résolu. C'est une question de quelques années à peine.

Puisqu'il s'agit ici d'une enquête sur les publications, on me permettra d'ajouter que l'Etat devrait peut-être songer à assurer à certains écrivains une certaine sécurité matérielle à ceux des auteurs canadiens qui auront vraiment fait leurs preuves. Il serait désirable que nos écrivains puissent un jour vivre de leur métier pour se consacrer entièrement à leur mission. Actuellement, ils doivent se livrer à toutes

les besognes, parfois les plus sottes, pour faire honneur à leurs responsabilités familiales ou autres. C'est ce qui explique que tant de beaux talents, après des débuts prometteurs, ont fini par sombrer dans la stérilité.

Or, ce sont justement les écrivains qui peuvent le mieux enrichir le contenu de nos revues et magazine et faire en sorte que ces publications, devenues de qualité supérieure, soient mieux armées contre la concurrence étrangère.

PAR MONSIEUR BEAUBIEN,
Commissaire:

Monsieur Harvey, croyez-vous qu'il soit désirable d'avoir une ambiance qui permettrait aux magazines canadiens, anglais et français de survivre et de progresser au pays?

PAR MONSIEUR HARVEY:

Sans aucun doute.

PAR MONSIEUR BEAUBIEN,
Commissaire:

Maintenant, si vous voyez qu'il y avait un certain danger pour ces périodiques-là ou ces magazines-là de som-

brer ou qu'ils soient noyés par la concurrence étrangère, croyez-vous qu'il serait désirable qu'on leur apporte une aide quelconque?

PAR MONSIEUR HARVEY:

Oui, c'est ce que j'ai voulu indiquer; il y aurait un autre memorandum qui devrait être présenté à ce sujet-là, mais je pense que toute discrimination injuste créée par le flot des magazines étrangers devrait être rectifiée pour que tous ces magazines étrangers et canadiens au moins soient sur le même pied, je dis, sur le même pied.

PAR MONSIEUR BEAUBIEN,
Commissaire:

Pourriez-vous préciser de quel point de vue sur le marché, au point de vue taxes.....?

PAR MONSIEUR J.C. HARVEY:

On a dit que le flot de magazines étrangers, surtout américains, pouvaient parfois équivaloir à du "dumping". Si cela équivaut à du "dumping", il faut y remédier, et si une taxe qui frappe les "publishers" canadiens ne frappe pas les "publishers" étrangers, cela aussi devrait être rectifié. C'est une question de justice pour égaliser les chances. Je

dis, égaliser les chances, si les chances sont égales, je ne crois pas que cette mesure que l'on prendra puisse affecter la libre circulation des périodiques étrangers. Ce sera une mesure de justice.

PAR MONSIEUR BEAUBIEN

Commissaire:

Croyez-vous qu'il existe dans le moment un danger réel pour nos publications canadiennes anglaises et françaises?

PAR MONSIEUR HARVEY:

Je n'ai pas étudié les conditions des publications de langue anglaise. Quant aux publications de langue française, je ne crois pas qu'elles souffrent de la concurrence étrangère. La cause de la question de langue est très importante, il existe une forte proportion de notre classe moyenne, je dirais, qui sait l'anglais et qui lit les périodiques de langue anglaise, surtout américains, mais ce n'est pas la grande majorité, c'est toujours une minorité. La grande masse se contente de publications de langue française, et comme nous en savons quelque chose puisque nous publions deux journaux populaires, et nous savons fort bien qu'au moins 90% de nos lecteurs ne lisent à peu près pas de magazines de

langue anglaise.....

PAR MONSIEUR BEAUBIEN,

Commissaire:

Croyez-vous que les publications canadiennes de langue française aient moins à s'inquiéter de la concurrence étrangère que les publications de langue anglaise, en provenance des Etats-Unis et peut-être de l'Angleterre?

PAR MONSIEUR J.C. HARVEY:

Pour la même raison: si nos magazines de langue anglaise ne sont pas organisés pour combattre par la qualité et par l'intérêt, pour combattre les publications étrangères, ils sont un danger. Mais s'ils ne répondent pas au goût du public, si nos publications canadiennes de langue anglaise ne répondent pas vraiment au goût du public, si on ne les trouve pas aussi vivantes que les publications étrangères, tant pis pour eux, c'est bien dommage, il faut à tout prix qu'ils deviennent aussi vivants et aussi intéressants que les périodiques étrangers.

PAR MONSIEUR BEAUBIEN,

Commissaire:

Est-ce que ce même raisonnement-là ne s'appli-

que pas aux magazines de langue française?

PAR MONSIEUR HARVEY:

Le magazine de langue française ne peut souffrir à proprement parler de concurrence que de certains magazines de France. Le magazine de France ne pourra jamais nous faire une très forte concurrence pour la bonne raison qu'il ne représente pas autant l'esprit canadien que les publications américaines en comparaison de l'élément de langue anglaise des autres provinces. Vous saisissez ce que je veux dire? Il y a plus de différence entre une publication française de France et une publication de langue française de la province de Québec qu'entre une publication américaine de langue anglaise et une publication de Toronto, par exemple, parce que il y a une parenté réelle entre elles plus proche que celle qui existe entre la publication parisienne et la publication montréalaise de langue française.

PAR MONSIEUR BEAUBIEN,
Commissaire:

Ne croyez-vous pas qu'il y ait un gros marché dans la province de Québec pour les magazines tels que "Marie-Claire", "Paris Match", et d'autres excellents magazines du genre?

PAR MONSIEUR HARVEY:

Ils ne parviendront jamais à mon point de vue à atteindre la circulation qu'ont atteint par exemple Le Petit Journal et la Presse.

PAR MONSIEUR BEAUBIEN,
Commissaire:

Ne croyez-vous pas par exemple que si les revues comme "Paris Match" et "Marie-Claire" annoncaient des produits vendus généralement au Canada.....

PAR MONSIEUR HARVEY:

Oui.

PAR MONSIEUR BEAUBIEN,
Commissaire:

..... qu'il y aurait une poussée de la part des français pour augmenter le tirage de leurs magazines correspondents autant que les américains pour augmenter leur tirage ici? Ce serait moins intéressant au point de vue financier pour les français de tirer leurs magazines que les américains, c'est parce que c'est l'annonce, ils n'ont pas de produits qu'ils peuvent annoncer dans la même mesure que les produits américains.

PAR MONSIEUR HARVEY:

Il faudrait avant que l'annonceur songe à annoncer, à entrer dans les publications populaires de France, il faut que ces publications-là aient déjà une diffusion considérable dans la province de Québec et qu'ils n'ont pas encore.

PAR MONSIEUR BEAUBIEN,
Commissaire:

..... ou que le produit ait un marché développé.

PAR MONSIEUR HARVEY:

Produit français.....

PAR MONSIEUR BEAUBIEN,
Commissaire:

N'est-ce-pas là le secret de toute la chose? Les Français, leurs produits ne sont pas suffisamment vendus et connus au Canada pour leur permettre d'annoncer ici au Canada par leur truchement.

PAR MONSIEUR HARVEY:

Pour vendre leurs produits ici?

PAR MONSIEUR BEAUBIEN,
Commissaire:

Oui?

PAR MONSIEUR HARVEY:

Là, vous parlez de produits français, oui, il est possible que s'il voyait un marché suffisant, si l'annonceur voyait un marché suffisant dans la province de Québec, il est possible qu'il fasse un effort pour aider la finition de ces revues-là qu'ils ne feront pas d'ailleurs, c'est une possibilité.

PAR MONSIEUR BEAUBIEN,
Commissaire:

Par contre, croyez-vous que l'on devrait encourager la revue de publication française ici au pays?

PAR MONSIEUR HARVEY:

Sans aucun doute, nous ne sommes pas prêts à nous passer des produits de France, surtout dans ce domaine-là.

PAR MONSIEUR BEAUBIEN,
Commissaire:

Dans le domaine de la pensée.....?

PAR MONSIEUR HARVEY:

Dans le domaine de la pensée, la qualité de l'écriture, nous ne sommes pas prêts à nous en passer. Nous

sommes un jeune pays, nous sommes toute une population ici, ni le livre, ni le journal français, je parle des journaux bien tenus qui s'adressent à une certaine classe, ces journaux et ces revues sont indispensables encore à la culture française au Canada et nous ne sommes certainement pas en mesure de nous suffire à nous-mêmes.

PAR MONSIEUR BEAUBIEN,

Commissaire:

Vous ne seriez pas en faveur que quelques restrictions que ce soient, soient appliquées contre des revues françaises à l'entrée du pays ici?

PAR MONSIEUR HARVEY:

Bien, comme je pense qu'elles ne sont nullement nuisibles dans le moment présent, je ne sais pas si ce serait sage d'établir des mesures restrictives.

PAR MONSIEUR BEAUBIEN,

Commissaire:

En Belgique, en Irlande, en Suisse, en Espagne, en Argentine, il y a différents moyens qui sont employés, enfin, tous ces pays-là emploient certaines mesures pour protéger leurs périodiques, leurs magazines locaux.....?

PAR MONSIEUR HARVEY:

Cela peut avoir du bon, resterait à savoir après enquête si ces mesures ont vraiment fait diminuer l'importation de ces publications-là dans les pays protégés ainsi, si ça ne les a pas fait diminuer, si ça n'a eu qu'un résultat de rapporter un peu plus à l'Etat, comme résultat pratique, ce serait nul, parce que j'ai l'impression que les publications que le public demande vraiment, qu'il aime, même si elles étaient frappées d'une certaine taxe, jusqu'à un certain point naturellement, cela ne les empêcherait pas d'entrer parce que c'est toujours le goût du public qui finit par prévaloir. C'est la même chose, quand nos journaux, nous augmentons nos prix par exemple, il arrive que pendant les premiers mois, après avoir augmenté le prix d'un journal, le prix de la vente, au numéro, par exemple, il y a une baisse, mais parce que le public les aime, il y revient et la différence est comblée en relativement peu de temps parce que la question du prix ne compte plus, surtout dans ces prix-là.

BY MR. O'LEARY:

Thank you very much.

RAPPORT DE MONSIEUR JEAN GILLET, secrétaire-gérant de l'Association des Maîtres Imprimeurs de Montréal Inc.,

PAR MONSIEUR GILLET:

Notre rapport est préparé conjointement par le Syndicat Patronal des imprimeurs de la ville de Québec, le Syndicat des Maîtres Imprimeurs de l'ouest de la province et l'Association des Maîtres Imprimeurs de Montréal.

Ensemble, ces trois groupements représentent près de deux cents imprimeurs et couvrent une très forte proportion du volume d'imprimés en français dans la Province de Québec.

Un grand nombre d'imprimeurs, membres de ces trois mouvements, impriment diverses publications.

Depuis déjà plusieurs années, ces imprimeurs et, indirectement, tous les imprimeurs de langue française de la Province, ont à se plaindre d'une énorme concurrence de la part de revues européennes imprimées en français.

Les principales maisons de distribution de ces publications sont: Distribution Laval Ltée, Diffusion Franco-Canadienne Ltée, Jean-Claude News Agency et Benjamin

News. Nous n'avons pu établir si toutes ces maisons importent leur revues ou si certaines ne s'occupent que de la distribution.

En 1952, monsieur Benjamin, propriétaire de Benjamin News, a déclaré au cours d'une conférence, que le volume de revues européennes de langue française vendues au Canada, était monté de moins de $ 50,000 en 1946, à plus d'un million en 1952.

Nous ne savons pas quel est le volume de vente actuel de ces revues européennes mais nous avons toutes raisons de croire qu'il augmente d'année en année.

Dans un seul petit restaurant, nous avons, le 16 novembre, acheté des publications européennes en langue française pour un total de $ 12.35. Nous n'avons acheté qu'un numéro de chacune de ces publications et n'avons pas acheté des revues telles que Paris-Match, etc., qui sont datées et sont vendues ici à peu près à la même époque où elles sont vendues en Europe. Nous nous permettons de déposer ces revues devant la Commission. (Monsieur Gillet s'exécute et présente un paquet de revues). C'est réellement un volume considérable de revues.

Parmi les revues que nous avons achetées, la plu-

part ne sont pas datées. Parmi celles qui étaient datées, la plus récente, et il n'y en avait qu'une seule, portait la date de septembre 1960. L'une datait de décembre 1959 et la plupart des autres de tôt dans l'année 1960.

Parmis les revues qui n'étaient pas datées, certaines avaient en dernière page l'indication: le prochain numéro paraîtra le 15 mai, le 25mai, etc.

Le restaurateur nous a déclaré que toutes ces revues lui avaient été livrées la semaine même où nous les avons achetées.

Nous devons donc conclure que ces revues ne sont pas expédiées d'Europe dès leur parution, mais sont effectivement des retours.

Nous avons toutes raisons de croire que ces revues arrivent ici en vrac, après qu'elles ont été retournée des kiosques français, belges, suisses ou marocains. Nous n'avons pu établir à quel prix elles sont payées par les importateurs canadiens, mais étant des retours datant souvent de plus de six mois, elles ne sont certainement pas vendues au prix normal du marché européen.

D'ailleurs, selon les chiffres du Bureau Fédéral de la

Statistique, le total des importations des revues venant de France et de Belgique durant les six premiers mois de l'année 1960 n'aurait été que de $ 56,000. Etant donné le nombre de ces revues que l'on trouve sur le marché québécois, étant donné aussi les chiffres cités par monsieur Benjamain, il semble évident que ces revues sont achetées par l'importateur à un chiffre ridiculement bas.

Au détail, ces revues sont pourtant vendues au prix régulier du marché canadien. D'ailleurs les détaillants les paient le prix régulier réalisant le profit de 25% qui est coutumier dans ce genre de commerce.

Ces revues sont tellement nombreuses que les quelques revues canadiennes en langue française qu'on voit dans les kiosques se trouvent pratiquement noyées.

Dans le restaurant où nous avons fait nos achats et qui n'est pas une exception, il y avait au moins dix revues européennes en langue française, pour chacune des revues canadiennes.

Lorsque nous nous sommes adressés au Département des Douanes pour invoquer contre ces publications européennes la loi contre le "dumping", on nous a répondu que cette loi n'était pas appliquée étant donné que ces revues

étaient considérées comme un produit non-manufacturé au Canada, c'est-à-dire ne créant pas concurrence à un produit existant au pays.

Il est intéressant de mentionner ici que cette interprétation de la loi provient d'un bulletin adressé aux employés des douanes en 1905. A ce moment, la population de la Province de Québec (nous nous basons sur le recensement de 1901) était de 1,648,898 personnes. Au recensement de 1956, cette population était passée à 4,628,378, c'est-à-dire qu'elle avait pratiquement triplé. La loi est pourtant demeurée la même.

Cette interprétation de la loi pouvait à la rigueur se défendre à l'époque, alors qu'il existait beaucoup moins de revues canadiennes en français. Aujourd'hui, cette interprétation est discriminatoire et injuste envers les éditeurs canadiens-français. L'industrie canadienne, française de l'imprimerie a pris, depuis quelques années, un essor considérable, essor qui serait encore beaucoup plus grand si elle n'avait pas à subir la concurrence de revues européennes qui pourraient être avantageusement remplacées par des revues locales.

Du point de vue moral, les publications européen-

nes, en français, sont , dans l'ensemble, beaucoup plus osées que les publications canadiennes. Femmes en bikinis et en robes très décolletées, intrigue basées sur l'éternel triangle et où l'adultère est le plus souvent considéré comme chose normale sinon louable, etc.

Une très grande partie de ces revues européennes s'adressent aux adolescents et encore plus aux adolescentes et nous ne croyons pas faire preuve de parti pris en affirmant que c'est là un genre de littérature dont nos jeunes pourraient très bien se passer.

De plus, l'afflux de plus en plus considérable de ces publications va nettement à l'encontre des intérêts des imprimeurs et éditeurs canadiens et à l'encontre des intérêts de tous ceux qui, dans notre province, gagnent leur vie dans ce domaine.

Nous avons actuellement plus de chômage que nous n'en avions eu depuis plus de vingt ans. Nous croyons que toutes les mesures doivent être prises pour protéger nos marchés et favoriser l'épanouissement de marchés existants dont nous n'avons pas pris avantage.

Si certains organismes gouvernementaux se font ouvrir les livres comptables des maisons mentionnées plus

haut, ce que nous ne pouvons évidemment faire nous-mêmes, nous croyons qu'ils s'apercevront que ces revues arrivent ici à des prix beaucoup plus bas que ceux exigés en Europe, étant donné, comme nous l'avons déjà dit, que ce sont des revues qui ont déjà été mises en vente et retournées.

C'est là, selon nous, une façon de procéder qui permet l'entrée au pays de produits dont nous n'avons nul besoin puisque nous serions en mesure de les remplacer nous-mêmes avec avantage, donnant à nos jeunes de la littérature plus saine et plus appropriée à notre mode de vie.

De plus, en donnant cet essor au commerce de l'édition de notre Province, nous donnerions plus de travail à nos écrivains, nos journalistes, nos ouvriers imprimeurs et nos ateliers d'imprimerie et de lithographie.

L'industrie de l'imprimerie au Québec est maintenant adulte et à même de répondre à la demande pour les publications de tous genres. Comme question de fait, nous sommes nous-mêmes en état de produire pour l'exportation.

Avec l'indépendance de nombreux pays africains

de langue française, nous pourrions ouvrir des marchés profitables dans le domaine de la publication. En effet, nombre de ces gens seraient probablement mieux disposés à accepter de la littérature française venant du Canada, que les revues des anciens occupants, français ou belges.

Evidemment, pour que cela devienne possible, il ne faudrait pas que le domaine québécois de l'édition soit étouffé, dans sa propre province, par l'arrivée massive de revues européennes.

Si nous voulons protéger notre économie et la développer; si nous voulons assurer plein emploi non seulement à la génération actuelle, mais à celles qui nous suivrons, nous croyons qu'il est plus que temps de prendre des mesures pour que nos marchés soient adéquatement protégés contre l'infiltration de produits étrangers qui ne contribuent en aucune façon, ni à notre culture, ni à notre bien-être.

PAR MONSIEUR BEAUBIEN,

Commissaire:

Monsieur Gillet, vous avez présenté le premier mémoire qui exprime une certaine inquiétude au sujet de l'avenir de l'industrie, de l'éducation ici en français, est-ce vrai?

PAR MONSIEUR GILLET:

Je crois que c'est vrai.

PAR MONSIEUR Beaubien:

Commissaire:

Dernièrement, je ne sais pas si vous avez lu les éditoriaux, dans "La Presse" il y a un éditorial, dans "La Presse et dans le Devoir, deux éditoriaux ont dû mettre en garde de bien voir à ce qu'aucune mesure ne soit prise pour empêcher le libre échange de magazines d'informations, de littérature entre le Canada français, la France et les autres pays, principalement la Belgique.

PAR MONSIEUR GILLET:

Dans le mémoire, j'ai exclu délibérément des revues comme Paris-Match, Marie-Claire ou des choses de ce genre-là qui peuvent probablement, même incontestablement apporter quelque chose à notre culture. Toutes les revues que je soumets ici, il y en a pour $ 12.35, ce sont absolument des revues dont nous pourrions nous passer, dont nous aurions tout intérêt à nous passer.

Ce n'est pas cela qui va nous apporter la culture européenne..... toutes ces revues-là sont pareilles. Nous ne nous objectonspas duttout à la culture européenne, nous

nous objectons à ce qu'on nous envoie des choses que nous serions même gênés de produire nous-mêmes.

PAR MONSIEUR BEAUBIEN,

Commissaire:

Donc, vous recommandez que l'on établisse une distinction entre certaines publications comme "Paris-Match" "Marie-Claire", etc., et celles que vous nous présentez aujourd'hui.?

PAR MONSIEUR GILLET:

Oui, ces revues comme "Paris-Match" "Marie-Claire", arrivent ici tout de suite après leur date de parution en Europe, elles arrivent ici par le marché normal, mais ces choses-là qui arrivent ici en vrac qui ne sont pas datées, qui sont des retours et qui ne s'adressent pas à l'élite intellectuel du pays, réellement, nous pouvons nous en passer facilement.

PAR MONSIEUR BEAUBIEN,

Commissaire:

Est-ce qu'il y a de la littérature obscène?

PAR MONSIEUR GILLET:

Pas obscène.....

PAR MONSIEUR BEAUBIEN,

Commissaire:

Parce que nous n'avons rien à faire avec la censure.

PAR MONSIEUR GILLET:

Ce n'est pas obscène, mais ils se permettent des choses que nous ne pourrions pas nous permettre. Ce n'est pas obscène, c'est malsain, si vous voulez, mais pas obscène.

PAR MONSIEUR BEAUBIEN,

Commissaire:

Alors, vous êtes d'opinion qu'il devrait y avoir deux classes?

PAR MONSIEUR GILLET:

Définitivement.

PAR MONSIEUR BEAUBIEN,

Commissaire:

Il devrait y avoir deux classes, une pour permettre la libre entrée de certains magazines, périodiques de qualité et une autre pour empêcher, enrayer jusqu'à un certain point la marche grandissante du tirage de publications comme cel-

les que vous nous montrez là?

PAR MONSIEUR GILLET:

Une façon de l'enrayer serait d'invoquer la loi contre le "dumping" parce que ces revues-là non datées, il n'y en a aucune, celles qui sont datées datent du début de l'année, bien, si on invoquait la loi contre le "dumping" et puis qu'elles aient à payer des droits de douane considérables, évidemment on éléminerait une grande partie du problème.

THE CHAIRMAN:

What is the translation sir, of Marie-Claire?

MR. GILLET:

Claire is also a name, so it does not translate. It is Marie-Claire. That is all.

THE CHAIRMAN:

I saw some of those up in Mr. Johnston's room the other day. I thought it was Marie "undressed".

COMMISSIONER JOHNSTON:

Not in my room.

PAR MONSIEUR BEAUBIEN:

Commissaire:

Qui fait la distribution de cette littérature-là, monsieur Gillet?

PAR MONSIEUR GILLET:

J'ai mentionné les quatre compagnies dans mon rapport. Il s'agit de: Distribution Laval Limitée, Distribution Franco-Canadienne Limitée, Jean-Claude News Agency et Benjamin News. Je sais que Benjamin News importe, je ne sais pas si les autres importent aussi ou font seulement de la distribution. Ce sont les quatre principales agences de distribution.

THE CHAIRMAN:

Do all of these prints you have coming into Canada come from France?

MR. GILLET:

France and Belgium, sir.

THE CHAIRMAN:

I wouldn't leave them lying aroung.

MR. GILLET:

They are not dirty, by any means.

THE CHAIRMAN:

Mostly comics?

MR. GILLET:

Mostly comics or so they are referred to. They are movie magazines and things.

THE CHAIRMAN:

Are the newsstand distributers all in Quebec?

MR. GILLET:

The four houses I was mentioning. They have quite a good system. They deliver the publications every second week, and two weeks later they go back and take back the ones which weren't sold and deliver them a new batch.

THE CHAIRMAN:

Would the Curtis people do this?

MR. GILLET:

Pardon?

THE CHAIRMAN:

Would the Curtis people do this?

MR. GILLET:

No, the distributors are Distribution Laval Ltee., Diffusion Franco Canadienne Ltee, Jean-Claude News Agency and Benjamin News.

THE CHAIRMAN:

Than you very much, sir.

MR. GILLET:

Thank you Mr. President.

Georges Roy, agence canadienne Hachette Limitée, importateur de publications de France.

Monsieur le président,

Messieurs les membres de la Commission Royale,

Je désire certainement me prévaloir de mes privilèges de parler en français devant une Commission Royale instituée par le Gouvernement Fédéral.

Comme je serais le seul représentant de la Presse Française qui comparaîtra devant la Commission Royale, je tiens à être compris et je tiens à ce que les membres de la Commission puissent me poser des questions et être pleinement informés sur la pleine distribution de la Presse Française au Canada.

Je parlerai donc en français et en anglais.

Mr. Chairman, members of the Royal Commission I wish to avail myself of my rights to speak in French before the Royal Commission of the Federal Government. However, as I will be the only member of the French press to be heard by the Royal Commission and as I desire that the Royal Commission be fully informed about the French press, about which a great deal has been said, I will speak both in French and in English.

J'avais préparé, comme j'ai dit tout à l'heure, un mémorandum très bref parce que je ne croyais pas que l'on attribuerait à la Presse Française importée de France autant d'importance qu'on lui en a accordée. Toutefois, comme ceci n'a pas été le cas, j'aimerais par conséquent présenter de nouveaux arguments à la lumière de ce qui a été dit devant la Commission jusqu'ici.

I prepared a very brief memorandum because I did not think at the time of preparation that the importation of the French press would be given the importance it has been given before theCommission, in this province at least. Therefore I would like to present to you new arguments in the light of what has been said up to now before the Royal Commission. I shall speak of course as director and lawyer of Hachette Ltee., and also as a French speaking Canadian who has some knowledge of the distribution of the press.

Certains éditeurs de langue anglaise de publications en langue française ont exprimé des craintes que les revues importées de France les gênent. Je dois dire tout de suite, je suis convaincu que les revues importées de France ne peuvent pas gêner ces éditeurs. Je suis également convaincu qu'elles ne nous gêneront pas. Nous ne

vendons pas la même marchandise, l'éditeur de langue anglaise qui imprime notre revue en langue française va vendre une marchandise d'intérêt surtout local, ce qui sera un avantage d'ailleurs, dont il saura tirer profit.

Nous, nous vendons une revue qui a un intérêt à cause de son style, de la clarté de sa langue, de l'imagination et du goût de sa présentation et qui reflète le génie français, et je crois que quand les canadiens de langue française disent qu'ils ont besoin de l'apportde la revue française au Canada, c'est parce qu'ils veulent aussi profiter de ce génie français, pouvoir le consulter et aussi parce qu'ils croient que c'est le seul et qu'ils veulent avoir accès à cette source.

Certain English-speaking editors of a magazine in the French language have said before this Commission, I believe, that they believe the importation of French magazines might hinder the development of their own magazine. I would like to state immediately that I do not think that is true and I am convinced that they will not hinder our sales in any case. We well two different types of merchandise. They will sell merchandise which has a strong local interest and they will derive great benefit from it. They will employ French speaking writers of Canada. We

sell merchandise which people buy because of its style, because of the language and the character of the language used in the magazine, because of the imagination shown in its presentation and because of its taste, which reflects the French genius. It is that French genius which French-speaking Canadians think is also theirs that causes them to buy the magazine. It is because of this that we have seen in the last day or so an editorial in the French press advising that these magazines should not cease to be imported.

When the English-speaking publishers have appeared before the Commission they have insisted on the business and material side of the publishing business. I think we probably shall insist more on the cultural side.

I intend, Mr. Chairman, to read my memorandum, of which I shall provide you with English copies; I translated it myself. After reading this memorandum I would like to read the editorials which have been published in the French press to support my views. I shall also refer to the memorandum which was produced by the Provincial Government.

I shall start now by reading my memorandum.

AGENCE CANADIENNE HACHETTE LTEE., importe au Canada environ 75% des publications périodiques de France vendues au Canada et la presque totalité de sa distribution se fait dans la Province de Québec.

Cette distribution est faite par BENJAMIN NEW COMPANY directement, dans la ville de Montréal et ses environs, et indirectement, par sous-distributeurs, dans le reste de la province.

AGENCE CANADIENNE HACHETTE LTEE., a la distribution exclusive au Canada de la totalité des publications françaises à grand tirage, entre autres: PARIS MATCH, ELLE, MARIE CLAIRE, MARIE FRANCE, CONSTELLATION et JOURS DE FRANCE. A part ces publications, elle importe environ entre 180 et 200 autres titres à plus petit tirage.

Jusqu'ici, aucune des revues importées de France par AGENCE CANADIENNE LTEE. n'ont contenu de section canadienne et les éditeurs de revues canadiennes en langue française ne peuvent pas à ce titre se plaindre de la concurrence des revues périodiques de France. Nous croyons tout de même devoir faire des représentations à la Commission Royale, parce qu'il n'est pas impossible, si le Gouver-

nement prend des mesures qui restreignent la liberté d'importation et/ou de vente des revues périodiques des Etats-Unis, que ces mesures affectent aussi, sans qu'elles les visent directement, les revues périodiques de France importées au Canada. Ceci serait néfaste à notre avis, pour les raisons suivantes:

1.- Le marché de langue française de la province de Québec semble avoir été trop restreint jusqu'ici pour justifier la création de revues périodiques en français à grand tirage dans le genre de PARIS MATCH, ELIE, MARIE CLAIRE, MARIE FRANCE, JOURS DE FRANCE etc. Si McLEAN-HUNTER peut publier en français des revues comme CHATELAINE et éventuellement le "McLean", c'est parce qu'une grande partie des frais de publication de l'édition en langue Française fait double emploi avec ceux de l'édition anglaise. Tant que cet état de choses existera, il est essentiel de ne pas restreindre, de quelque façon que ce soit, la vente de la revue périodique de France à laquelle les revues publiées en français par les éditeurs canadiens de langue anglaise ne peut pas suppléer.

Le Premier Ministre de la Province de Québec, l'Honorable monsieur Jean Lesage, a fait une déclaration très claire sur ce point, dont le texte suit, tel que reproduit

dans le numéro de la PRESSE du lundi, 22 août 1960:

"le profane ne peut ignorer, affirme-t-il que le supplément hebdomadaire attaché à plusieurs de nos grands journaux n'est pas un produit original de notre culture, mais une adaptation qui est presque une traduction. Toutes ces initiatives françaises de nos compatriotes de l'autre culture constituent une reconnaissa ce merveilleuse du bilinguisme canadien... mais ces belles initiatives ne sont qu'une marque de respect ENVERS notre culture. Elles ne sont pas la marque de notre culture."

2.- S'il paraît difficile pour le moment, pour les éditeurs canadiens de langue française d'étudier seules des revues périodiques à grand tirage, du genre de PARIS-MATCH, ELLE, MARIE-CLAIRE, MARIE FRANCE, JOURS DE FRANCE, etc., il est possible toutefois que les éditions canadiennes de ces revues puissent être faites en association avec leurs éditeurs français, et l'on peut dire que toute mesure qui affecterait l'importation et/ou la vente des revues périodiques de France risquerait de compromettre l'une des chances d'éditer dans la Province de Québec des revues périodiques à grand tirage. De telles mesures seraient discriminatoires et favoriseraient les éditeurs canadiens de langue anglaise qui ont eux un marché qui justifie mieux l'édition de revues

périodiques à grand tirage.

3. - Le Gouvernement Canadien a déjà reconnu les difficultés de l'édition canadienne en langue française et l'importance de l'apport culturel de la France en ce qui concerne le livre. L'article 170 du tarif douanier permet l'entrée libre du livre français au Canada, alors que la plupart des livres importés des Etats-Unis doivent payer des droits à l'entrée en vertu des dispositions de l'Article 171 du tarif douanier.

POUR CONCLURE, nous croyons, au cas où des mesures restrictives seraient prises affectant l'importation ou la vente de revues périodiques, qu'il est important pour la culture et la langue française au Canada et dans la Province de Québec en particulier, qu'il soit fait exception dans le cas des revues périodiques de France en langue française, comme cela a déjà été fait pour le livre.

(Advenant douze heures trente p. m. la séance est ajournée à deux heures trente p. m.)

PAR MONSIEUR ROY:

Comme j'ai dit dans mon introduction, je voudrais maintenant étayer ma présentation en m'appuyant sur un mémorandum, d'abord, celui de la Province de Québec et sur quelques éditoriaux, deux éditoriaux publiés dans la PRESSE Montréalaise hier.

As I previously said I would now like to support my contentions by referring to the memorandum of the Province of Québec and to two editorials published in the Montreal press yesterday. I would not, of course, recite the memorandum which already has been read before the Commission. I would like, however, to cite two paragraphs: paragraph 3 of this memorandum of the Province of Québec.

Le paragraphe 3 d'abord:

> "L'on comprendra notre situation particulière vis-à-vis du périodique étranger de langue française. Qu'il soit de caractère général ou nettement spécialisé, nous ne pouvons consentir à ce qu'ils soit ostracisé au nom de quelque forme de protection que ce soit, ce qui signifierait pour nous une dangereuse coupure d'avec

la tradition et la culture française. Ce serait, certe, un emprisonnement culturel impensable si cinq millions de canadiens français noyés dans un bloc colossal de langue anglaise devaient se priver de périodiques étrangers de haute tenue écrits dans leur langue."

Paragraphe 4:

"On admettra sans peine également que nous n'avons pas, loin de là, les mêmes raisons que les canadiens de langue anglaise, de craindre l'invasion des périodiques étrangers et qu'au contraire le danger serait pour nous dans la carence plutôt que dans la pléthore."

I have translated these two paragraphs. I will now read that translation:

"One first will understand the special situation in regards to foreign publications in the French language. Whether they be of the general character or definitely specialized we cannot consent that they be ostra-

> cized in the name of any form of sel protection which would mean for us a dangerous cleavage between ourselves and the French tradition and culture. It would indeed be an unthinkable cultural impoverishment if five million French speaking Canadians drowned in the much larger English group and thus one day be deprived of foreign publications written in the purest expression and form of the French language. One would also admit without difficulty that we do not have, therefore, the same reasons as English speaking Canadians to fear the invasion of foreign periodicals, and that, on the contrary, the danger for us would be scarcity rather than over abundance."

Je voudrais attirer l'attention de la Commission sur les points soulignés dans ce mémorandum qui sont, je crois, surtout les suivants:

Premièrement: l'importance attribuée par le Gouvernement de la Province à la Presse Française comme moyen de maintien de la pureté de la langue et deuxièmement

le danger au point de vue culturel et au point de vue langue, auxquels est exposé un groupe de cinq millions d'individus entourés de cent quatre-vingt-dix millions d'individus parlant une autre langue.

I wish to draw to the attention of the Commission to the two main points made in this memorandum: firstly the importance attributed by the government of the Province of Quebec to the French press as a means of maintaining the purety of the French language in the Province of Quebec and in Canada as a whole and; secondly, the danger from the cultural point of view and the point of view of language to which is exposed a group of five million individuals surrounded by 190 million individuals who speak another language.

Je voudrais faire entrer au procès-verbal en le lisant un éditorial publié hier dans Le Devoir.

Le Devoir est un journal d'opinion et de combat qui est lu certainement par une grande partie de l'élite canadienne française de la Province de Québec.

I would like also to put into the record an editorial published yesterday in Le Devoir. That is what is called a French daily newspaper of opinion and combat which is read

by a large section of the elite of the French speaking population in this province. This editorial states in French:

L'ENQUETE SUR LES PUBLICATIONS:

La Commission d'Enquête sur les Publications suscite beaucoup plus d'intérêts chez les canadiens de langue anglaise que chez les canadiens français. Affaire d'optique et d'intérêts en jeu.

Le public de langue anglaise est plus inquiet de l'invasion croissante du marché canadien par les périodiques américains; les intérêts engagés dans la concurrence sont également plus puissants.

Rien ne protège la culture canadienne d'expressions anglaises contre l'influence américaine. La barrière de la langue n'existant pas, les échanges sont directs; pour la radio et la télévision le gouvernement central dût intervenir; il créa à grands frais des réseaux est-ouest et imposa des restrictions sévères à l'importation de programmes tout faits, en direct ou sur films. Il fallait, nous a-t-on expliqué, protéger la culture canadienne.

C'est le même souci qui a inspiré la création d'une Commission d'Enquête sur les Publications. La circulation

massive de grands périodiques américains sur le marché canadien; des ennuis croissants des éditeurs et la disparition de plusieurs périodiques ont alerté l'opinion publique. L'intervention directe à laquelle il fallu avoir recours pour protéger les ondes canadiennes, ne pourrait-on pas la mobiliser au bénéfice du texte imprimé? C'est l'origine de la Commission O'Leary qui siège à Montréal ces jours-ci.

Le public canadien français ne paraît guère intéressé. Même à Montréal, la très grande majorité des mémoires viennent de milieux anglais. Paresse? Indifférence? Manque d'intérêt vital? Probablement un peu de tout.

Disons d'abord que d'une certaine manière, les canadiens-français se sentent moins directement touchés: Life, Time, New Week circulent dans la Province de Québec, mais dans un petit nombre de mains. Les tirages dans Québec sont insignifiants par rapport à ceux de l'Ontario. La barrière de la langue est loin d'être étanche, mais elle endigue partiellement le flot.

La publication américaine ira même jusqu'à prendre l'allure extérieure d'un imprimé de chez nous. Sélection, pour mentionner un nom connu, s'adresse en français aux lecteurs de langue anglaise. Le succès est tel que des éditeurs Torontois ont vu tout le parti qu'ils pouvaient en tirer. Chatelaine, absor-

bant la Revue Moderne se présente comme une publication française de belle tenue. En janvier, le magazine McLeans s'offrira à notre admiration ou à notre critique. Le Montreal Star avait pris les devants en transformant Weekend en Perspectives.

Ce n'est donc pas tellement contre la publication américaine qu'il faudrait défendre le Canada français que contre toute l'Amérique anglophobe qui découvre le marché français et qui fait un effort pour lui proposer une marchandise attrayante.

Est-ce un mal? Est-ce un bien?

On peut difficilement aplaudir à la disparition de vieux magazines de langue française qui ont eu leur heure de célébrité. Mais, étant donné qu'ils ne sont plus ou qu'ils sont appelés à disparaître à brève échéance, ils vaut encore mieux que nos gens lisent le "Magazine McLeans" que "McLeans", édition anglaise, "Sélection" que "Readers Digest". Le colonialisme culturel n'est pas plus agréable que le colonialisme économique ou politique, mais il est quand même plus tolérable quand il respecte la culture des indigènes.

Et puis, il reste toujours une compensation possible du côté de la France. Les revues et les magazines français

pénètrent de plus en plus le marché canadien. Match, Marie-Claire, pour mentionner deux titres seulement, feraient de bonnes affaires au Canada.

La présence de publications françaises crée un certain équilibre. Etant donné que nous pouvons difficilement produire quelque chose de semblable à cause de l'exiguité du marché, mieux vaut un approvisionnement varié qu'une sujétion à un seul fournisseur.

Pour des raisons d'ordre culturel, l'élément français est opposé à toute restriction sur l'importation de livres, revues, magazines et journaux de France. Il ne peut pas être question d'entraver leur libre circulation. Ce qui est un danger pourla culture anglo-canadienne et aussi les affaires de quelques grands éditeurs, est souhaitable pour le public de langue anglaise.

La Commission O'Leary devra forcément en tenir compte dans ses conclusions, autrement toute mesure justifiable du point de vue du Canada Anglais pourra être dommageable pour le milieu canadien-français.

I haven't translated all the article, but I translated the pertinent paragraph in it by Gerard Filion. The article was signed by Gerard Filion.

"It is not so much against American publications that we should defend French-speaking Canada as against the whole of English-speaking American that has discovered a French market and is making an effort to sell it on attractive merchandise. Is this good or bad? One finds it difficult to cheer at the disappearance of old, French-speaking magazines, which had their hour of glory. But, as they die, or as they are called upon to disappear shortly, it is better that our people read the magazine Maclean's than Maclean's English edition; Selection than Reader's Digest. Cultural colonialism is not more aggrable than economic, political colonialism. It is , however, more tolerable when it respects the culture of the natives; but, there remains a possible compensation from France. Reviews and French magazines and periodicals are pentrating, more and more, the Canadian market. Match, Marie-Claire, only to mention two titles, are, apparently, doing well in Canada.

The present of French publications makes for a equilibrium, considerign that we can hardly hope to create anything similar, because of the restricted market. It is better to have a varied supply thant to be at the mercy of one suppliier.

For cultural reasons, the French-speaking ele-

ment is opposed to any form of restriction on the importation of books, publications, magazines and newspapers from France. Any limitation to their free circulation is out of the question. What could be a danger to the English-speaking Canadian population, and also to the business interests of the few large publishers, is, in this instance, favourable for the French-speaking public. The O'Leary Commission will have to take this into account in its conclusion; otherwise, any measures justifiable from the English-speaking point of view will be detrimental to the French-speaking French Canadians."

Peut-on tirer de cet article et de cet éditorial que j'ai voulu citer parce que je crois qu'il est bien préférable de citer l'opinion des autres, surtout quand elle représente une partie de l'opinion qui m'est propre? Je crois que l'onpeut en tirer ceci: premièrement, l'article insiste sur la différence d'intérêt entre les canadiens de langue française et ceux de langue anglaise en la matière; deuxièmement, il insiste sur l'importance de l'apport culturel français; troisièmement, il insiste sur le point suivant: les éditeurs du Canada français se trouvent au point de vue matériel, au point de vue affaires vis-à-vis les éditeurs canadiens de langue anglaise un peu dans la même situation que ces derniers se trouvent

vis-à-vis des éditeurs des Etats-Unis. Le marché américain est beaucoup plus importants que le marché canadien de langue anglaise et le marché canadien de langue anglaise est beaucoup plus important que le marché canadien de langue française, d'où infériorité des coûts d'inflation, magazines de présentation plus luxueuse, tarifs publicitaires inférieurs par lecteur et possibilité de diffusion par abonnement, par suite des exemptions de taxes douanières. D'après mes amis Français, je ne sais pas quelle est leur situation ici, mais à partir de 300,000 exemplaires, on peut donner des abonnements. Evidemment, il faut avoir une certaine circulation pour pouvoir le faire.

What I would like to draw the attention of the Commission to are three main points in this article. The first one is the difference between the interest of the French-speaking Canadians and the English-speaking Canadians in matters of the press; secondly, the importance of the cultural contribution of the French press and French periodicals and, thirdly on the fact that one can almost say that the French-speaking editors are very much in the same position, from the point of view of business, towards the English-Canadian editors of Toronto, as these editors find themselves in ation to the American editors of the United States.

The American market is a much more important one than the English-speaking market in Canada, but the English-speaking market in Canada is much more important than the French-sepaking market in the Province of Quebec; wherefore, lower costs of printing, better presentation of the magazine, the publicity tariffs which are levied per head of reader reached; the possibility of diffusion by giving away subscriptions, which do not pay duty, I understand, from my French friends and editors, unless you at least in France reach a circulation of at least 300,000 copies.

I would like to say, before I leave this article, that in the first part of the article, which I did not translate, Gerard Filion States, and it explains the position of the English-speaking editors in relation to the American editors. It sympathises with them. It also welcomes them, to a point -- these magazines that are produced by English editors from Toronto, from Ontario, because it states that if they had to leave them out, they would rather leave them out in French, rather than English. But, the main thing, of course is that it puts in a fantastic plug for French periodicals, as far as we are concerned.

Le deuxième éditorial que je voulais citer et que

je veux faire rentrer au procès-verbal est celui paru dans La Presse le mercredi 7 décembre.

The second editorial that I would like to cite is the one which was published in the press on Wednesday, December 7th. It is entitled "Concurrence et culture":

Concurrence et culture.

Les publications canadiennes de langue anglaise, revues et magazines, ont d'excellentes raisons, semble-t-il de redouter la concurrence des périodiques américains dont les éditions dites canadiennes entament largement leur revenu publicitaire. Précisément parce que le tirage combiné des treize (13) plus importants périodiques américains qui se vendent au Canada est de l'ordre de 3 millions, les annonceurs leur abandonnent une part substantielle de leur budget publicitaire. A telle enseigne qu'en mil neuf cent cinquante-neuf (1959) deux magazines américains, le premier mensuel, le second hebdomadaire, ont reçu soixante-dix cents (0.70) de chaque dollar payé par les annonceurs aux neuf (9) plus forts tirages des magazines tirés au Canada par des canadiens et pour des canadiens.

Mais tout en comprenant le problème auquel doit faire face la direction de ces périodiques, comment ne pas

constater que dans une certaine mesure, les publications canadiennes françaises subissent une concurrence semblable de la part de quelques sociétés canadiennes de langue anglaise qui publient aujourd'hui des éditions dites "canadiennes françaises"?

Le couplage de la publicité dans l'édition nationale anglaise et l'édition québecoise française leur permet d'offrir à leurs clients les tarifs qualifiés d'intéressants au même titre, et pour les mêmes raisons que les grandes publications américaines dont l'édition destinée aux Etats-Unis se double d'une édition dite "canadienne".

Ceux qui ont suivi au jour le jour les séances de la Commission Royale d'enquête sur les Publications dont le président, monsieur Grattan O'Leary est l'un des journalistes les plus vigoureux du Canada anglais, ont été heureux de constater que le gouvernement du Québec avait voulu se faire entendre des commissaires afin d'établir une distinction nécessaire entre les périodiques américain et l'ensemble des publications françaises qui exportées de Paris, se vendent un peu partout dans notre province.

Pour nos compatriotes de langue anglaise, la concurrence américaine se situe à la fois au niveau de la

culture et à celui des affaires. D'une part, l'abondance des publications en provenance des Etats-Unis risque de submerger la production intellectuelle du Canada anglais et d'autre part, cette importation massive peut compromettre l'économie des revues et des magazines publiés dans notre pays.

En ce qui concerne les périodiques français, la situation se présente différemment: comme l'a dit fort justement monsieur Jean-Charles Bonenfant, chargé d'exposer les vues du Gouvernement Provincial à ce sujet, "le danger serait pour nous dans la carence plutôt que dans la pléthore".

Ayons l'honnêteté intellectuelle de le reconnaître, nous avons besoin des grands périodiques français. Notre histoire trop récente et notre population trop restreinte, ne seraient permettre, pour l'heure la publication chez nous de ces grandes revues qui sont à la fois l'orgueil et l'honneur des lettres françaises. Il ne choque pas la raison que le Canada français au sein de ce monde anglo-saxon qui a voulu faire de l'Amérique son aventure et son empire, s'ouvre à la France et que notre culture cherche encore à se nourrir aux sources mêmes du génie français. Nous nous devons de garder un étroit contact avec la France: nous isoler serait

compromettre l'avenir.

I only translated part of the article, which I shall now read: While we understand the problems of the managers of these publications (he is referring to the problems of the English-speaking publications) how can we help noticing that in certat n ways the French-sepaking publications is submitted to similar competition from a few English-speaking publications. Firms which are publishing nowadays so-called French-speaking publications, a duplication of the publicity with a national English-speaking edition expects them to offer to their readers interest rates for the same reasons as large American publications, whose Canadian edition is a duplication of their American edition.

Those who have followed from day to day the sittings of the Royal Commission on Publications, whose Chairman, Mr. Gratton O'Leary is one of the most vigorous journalists in English-speaking Canada, will notice that the Government of the Province of Québec asked to be heard as to make the necessary distinction between American periodicals as a whole and the French publications which are exported from Paris and sell everywhere in the province.

Four our English-speaking compatriotes, Ameri-

can competition is both cultural and a business competition. On the one hand, the abundance of publications originating here will submerge the intellectual production of English-speaking Canadians, and on the other hand, this importation may endanger the economy and publication of magazines published in this country. As far as the French periodicals are concerned, the situation is different. As Mr. Jean-Charles Bonenfant said, in the name of the Government of the Province of Cuebec, the danger to us would be in scarcity, rather than in over-abundance.

Let us have the intellectual honesty to realize we need the great French periodicals. Our history, too recent, and our population too small, for the moment, allow the publishing of great publications, which are the pride and honour of the French tongue.

It is not unreasonable for the most of the English-speaking world, which is dominant in America, that French-speaking Canada opens up doors to French culture and that our own culture seeks to find nourshment of the sort found in French books. We must keep a close contact with France. To isolate ourselves would be to undermine our future".

Je voudrais encore attirer l'attention de la Commission sur les points essentiels de cet article. Le premier,

je crois comme dans le cas du Devoir, l'autre journal comprend parfaitement la situation des publicistes canadiens de langue anglaise et il souligne que toutefois les intérêts sont différents, les intérêts des canadiens de langue anglaise et ceux des canadiens de langue française sont différents. Il souligne l'importance de la culture française et il répète comme Le Devoir que la province de Québec se trouve vis-à-vis les éditeurs de l'Ontario un peu dans la même position que ceux-ci se trouvent vis-à-vis des américains.

Pour conclure, je crois que s'il fallait que le Gouvernement prenne des mesures pour éviter la concurrence américaine pour les revues de langue anglaise, je crois qu'il y aurait moyen de concilier nos points de vue. La façon de le faire, je crois, est, d'indiquer dans le tarif douanier canadien - je sais que la Commission a dit à plusieurs reprises qu'il n'était pas question d'imposer un droit de douane - mais ce qui a été fait dans le cas des droits de douane peut être fait dans le cas de n'importe quelle mesure restrictive; en fait, les livres français pénètrent au Canada sans payer de douane. Les livres américains lorsqu'ils rentrent au Canada - pas tous, il y a les exceptions, les livres religieux, les livres d'art - mais la majorité des livres américains payent un droit de doua-

ne de 10%. Je crois, pour comprendre cette différence de traitement, il faut faire l'analyse du tarif douanier; en 1906, un droit de 5% a été imposé sur tous les livres rentrant au Canada de pays jouissant du tarif préférentiel et un droit de 10% a été imposé sur les livres venant du pays jouissant du tarif de la nation la plus favorisée. En 1932, à la suite des conventions impériales, les livres anglais sont entrés en franchise au Canada, alors que les livres de tous les autres pays payaient un droit de douane de 10%. En 1933, le Canada a signé un traité avec la France et a accordé à la France le traitement préférentiel sur le livre. Le livre français à ce moment-là est entré en franchise.

En 1935, le Gouvernement canadien a signé un traité semblable avec la Pologne et finalement alors en 1939, l'article 170 a été amendé et il dit maintenant que pourront rentrer en franchise au Canada tous les livres autres que ceux de langue anglaise. Un autre article permet cependant aux livres anglais tout de même de rentrer en franchise.

PAR MONSIEUR BEAUBIEN,

Commissaire:

Monsieur Roy, vous possédez très bien

votre anglais comme vous venez de le démontrer, ce serait peut-être préférable de vous questionner en anglais.

Nous avons ici à faire face à deux sociétés: l'agence canadienne Hachette Limitée et puis Belgium News Company?

PAR MONSIEUR ROY:

(anglais).....

PAR MONSIEUR D'AOUST,

De la part du Chapitre de Montréal
de l'Association des Rédacteurs des
Revues d'Affaires au Canada.

Le Chapitre de Montréal de l'Association des Rédacteurs de Revues d'Affaires à l'honneur de présenter cette soumission au nom de ses 78 membres, rédacteurs dans 12 compagnies d'édition.

Ce mémoire a pour but d'informer la Commission des problèmes auxquels nos publications doivent faire face, spécialement quant à la concurrence étrangère. Il précisera également l'importance de la presse canadienne dans la vie culturelle, économique, scientifique et politique de notre pays.

Nous nous permettons d'espérer que la Commission, dûment informée, intervendra auprès des autorités responsables afin que soit protégée l'industrie de la presse liée si étroitement à l'indépendance et à l'essor de notre pays.

C'est une évidence que de dire qu'un pays a besoin d'une presse, de publications, d'écrits, qui sont autant de véhicules de la pensée et de moyens d'information. Un peuple libre a besoin de s'exprimer par l'intermédiaire de ses journalistes et de réfléchir à une foule de problèmes plus ou

moins vitaux à l'occasion des articles de ces mêmes journalistes ou d'autres citoyens.

Ajoutons que, dans tous les cas, la presse (qu'il s'agisse de la presse quotidienne ou des organes d'information spécialisée), renseigne et instruit le public, lui explique les problèmes scientifiques, techniques, économiques ou politiques, élargit le champ de sa pensée et développe sa compréhension. Elle favorise donc au plus haut point l'évolution d'une nation dans tous les domaines.

Si les faits précédemment exposés sont valables dans les pays anciens ou à structure éprouvée, à plus forte raison sont-ils justifiables pour des nations jeunes comme le Canada. Nous ne craignons pas de dire que, dans notre pays, la présence d'une presse active, progressive et en pleine vitalité est indispensable à l'existence même du pays en tant que nation indépendante.

Car, lorsque nous mentionnons la presse en général, nous songeons à une presse nationale, c'est-à-dire canadienne afin que ce pays évolue dans un sens favorable aux intérêts canadiens et non sous la coupe politique ou économique (ce qui revient au même) de l'étranger, notamment des Etats-Unis.

Enfin, un autre point mérite d'être souligné. La culture intellectuelle canadienne, encore relativement récente, promet d'être exceptionnellement avantageuse. Les oeuvres de bon nombre d'auteurs littéraires, de savants de techniciens, d'artistes canadiens des deux groupes techniques, sont en train de se tailler une réputation internationale. Or, cette culture nationale ne peut survivre que dans son milieu, c'est-à-dire soutenue par les maisons d'éditions les publications, les arts graphiques canadiens. On voit mal comment une culture proprement canadienne pourrait prospérer parmi un public noyé dans la masse des publications américaines.

Quant à la culture française, c'est un bastion avancé qui a largement contribué à protéger la pensée canadienne en général. Elle s'exprime par des écrits en français dont certains reçoivent une audience internationale. Qu'adviendrait-il de cette culture si, les publications étrangères venaient lui retirer les annonces qui font vivre ses moyens d'expression?

Il est bon de préciser que l'influence des publications canadiennes concerne directement les problèmes du Canada. C'est ainsi que nos revues, nullement fermées aux progrès techniques réalisés à l'étranger, en interprètent les

résultats et en favorisent l'application au Canada. De plus, notre pays, comme les autres nations, a des caractères qui lui sont propres, tels que son climat, sa position géographique et sa conjoncture économique. Il s'y ajoute sa dualité ethnique. Il a donc ses problèmes particuliers dans tous les domaines économique, politique, social, technique etc...

Or, les éditions entièrement américaines dont les surplus de tirage inondent le Canada, et les éditions soi-disant canadiennes, masquées derrière quelques pages consacrées à notre pays, ne sauraient aborder qu'une portion infinitésimale des questions intéressant le Canada.

Elles sont publiées avant tout pour un public américain qui se soucie fort peu de nos problèmes, et les quelques pages qui les travestissent en "éditions canadiennes" ne sont qu'un camouflage destiné à endormir la méfiance du lecteur canadien et à absorber le maximum d'argent des annonceurs de notre pays.

C'est aussi la raison pour laquelle ces publications américaines sont incapables de se pencher sur nos problèmes, de les étudier, de les comprendre et de les expliquer dans le sens des intérêts canadiens, quand ces derniers sont

contraires à ceux de leur pays.

Nous pourrions citer de très nombreux exemples pour illustrer cette situation. Nous n'en retiendrons que quelques-uns qui démontrent cependant l'immensité du domaine qui serait abandonné dans le cas ou la presse canadienne serait étouffée par les revues américaines.

Nos taxes, nos règlements fiscaux, nos lois sont différents de ceux des Etats-Unis. Ils varient souvent suivant les régions et les provinces. Les revues canadiennes sont donc infiniment mieux placées pour traiter de ces problèmes.

Il existe chez nous des questions spécifiques, telles que: technique de construction en hiver (en tenant compte du climat local, des matériaux et des équipements dont nous disposons), chômage saisonnier (fort différent suivant les régions), exploitation de nos ressources naturelles au profit du Canada, coûts de production et éléments qui les composent, main-d'oeuvre et unions, formation professionnelle etc... Seules les publications canadiennes sont à même d'intervenir régulièrement dans ces questions et d'en suivre l'évolution au profit du public de notre pays.

Peut-on croire que des magazines américains dé-

fendraient notre point de vue et nos intérêts dans les questions économiques, commerciales, de défense nationale etc.. où se trouvent engagés de plus en plus fréquemment des intérêts canadiens et américains.

Ainsi, en ce qui concerne les importations et les exportations entre les deux pays, les opinions risquent d'être diamètralement opposées comme le sont quelquefois leurs intérêts eux-mêmes. Les Etats-Unis qui s'efforcent de nous vendre des quantités sans cesse accrues de marchandises sont, par contre, susceptibles de devenir extrêmement vigilants quand il s'agit d'importations étrangères, même du Canada. Les restrictions à l'importation du pétrole et de l'uranium de notre pays en sont des exemples.

Frictions d'intérêts également dans les questions intéressant la liquidation des surplus du blé, le dumping au Canada de quantités énormes d'équipement de construction américain au détriment de firmes canadiennes, les ventes de produits pharmaceutiques, les relations commerciales avec Cuba etc.. sans compter des problèmes réellement politiques comme l'installation de bases militaires au Canada ou l'adoption d'appareils américains par l'armée canadienne.

Dans ces cas, la disparition des porte-paroles

que sont les revues canadiennes signifierait à brève échéance la capitulation de la pensée nationale et l'abandon de notre souveraineté dans tous les domaines.

Il convient aussi de rappeler qu'en l'absence d'une presse canadienne, les nombreux experts de ce pays n'auraient pratiquement aucune chance de se faire connaître et entendre, de participer activement aux progrès des divers aspects de la pensée. Il s'en suivrait une disparition rapide du rayonnement intellectuel du pays.

Enfin, notre industrie encore dans l'enfance ne pourra survivre et se développer qu'avec l'appui constant des publications spécialisées qui favorisent ses progrès en informant les spécialistes, en vulgarisant les meilleures méthodes et en faisant connaître les nouveaux produits de ces industries.

Ici encore la publication canadienne est irremplaçable car elle attire l'attention des acheteurs sur les fabrications canadiennes dont elle facilite les ventes.

Et qu'on ne nous dise pas que les publications américaines vanteraient les produits canadiens à leurs lecteurs sous prétexte qu'elles sont des "éditions canadiennes"...

Les publications canadiennes ne disposent pas, tant

s'en faut, des moyens dont disposent les magazines américains. Ces moyens dont disposent les magazines américains. Ces moyens, chacun le sait, dépendent surtout de l'importance du marché et des revenus que les maisons d'éditions sont susceptibles d'en tirer. Notre industrie est donc une industrie vitale mais d'une envergure encore restreinte. Elle vit et se développe régulièrement grâce aux annonces des fabricants et industriels, canadiens pour la plupart.

Or, nous ne refusons pas (et nous n'avons jamais refusé) la concurrence car cette dernière contribue à l'amélioration constante de nos produits.

Mais, nous ne pouvons tolérer l'intrusion au pays de concurrents dont le seul but n'est nullement de servir le pays ou l'industrie, ou même de faire du journalisme bien compris, mais uniquement de tirer le maximum d'argent d'un marché qu'ils jugent plein de promesses.

Nous ne voulons pas limiter la liberté de la presse, mais plutôt favoriser cette liberté pour les publications canadiennes d'exister dans leur propre pays. Que signifierait la liberté de la presse si les publications canadiennes, par suite de désavantages économiques, se voyaient dénier le droit de vivre chez elles?

Il est bien évident que nous ne pourrions lutter longtemps contre cette invasion étrangère car nos revues privées d'une partie sans cesse croissante de leur marché, péricliteraient en quantité et en qualité faute d'argent.

Or, bien au contraire, les publications canadiennes désirent plus que jamais être utiles à leur pays. Elles souhaitent améliorer constamment la présentation et le fond de leurs articles pour le plus grand profit des lecteurs.

La concurrence à laquelle nous avons à faire face, n'est pas une concurrence à armes égales. D'un côté, des firmes étrangères, pourvues de moyens énormes et appuyées sur un gouvernement qui les soutient parfaitement. De l'autre côté, des publications canadiennes pleines d'avenir, supportant le potentiel intellectuel, scientifique et économique du Canada.

Il appartient au gouvernement du Canada d'intervenir énergiquement pour nous protéger.

C'est pourquoi nous nous permettons de suggérer à la Commission Royale d'Enquête sur les Publications, l'étude d'une TAXE BASEE SUR LE COUT REEL DE L'EDITORIAL DES REVUES ETRANGERES VENDUES OU DISTRIBUEES AU CANADA. CETTE TAXE DEVRAIT ETRE SUFFISAMMENT

ELEVEE POUR DECOURAGER LES ANNONCEURS DE SE SERVIR DES PUBLICATIONS ETRANGERES COMME MEDIA AU CANADA.

Monsieur André Lévesque, président de la Fédération Internationale des Métiers d'Imprimerie de la Province de Québec:

Ce mémoire est soumis par la Fédération des Unions Internationales des Métiers de l'Imprimerie de la Province de Québec au nom de ses syndicats affiliés soit: l'Union Internationale des Typographes, l'Union Internationale des Pressiers et Assistants, l'Union Internationale des Relieurs, l'Union Internationale des Clicheurs et Electrotypeurs et l'Union Internationale des Photograveurs.

Les membres des Unions ci-haut mentionnés ont pris connaissance, durant les dernières années, de l'augmentation des impressions venant de pays étrangers et donnant comme résultat en un diminution de travail dans les établissement d'imprimeries dans cette Province et au Canada et ainsi restreignant dans cette industrie le nombre d'emploi pour les travailleurs qualifiés et pour les apprentis, ces deux classes d'ouvriers sont, actuellement, à la recherche de travail.

Le genre d'impressions importé au Canada sont, sans détailler l'importance, de deux catégories: premièrement, il y a les publications lesquelles sont imprimées en premier lieu

pour la distribution dans les pays étrangers mais qui demeure un très faible pourcentage de la production totale lequel est importé au Canada. Deuxièmement, il y a les imprimés qui sont ordonnés au Canada et imprimés en dehors du pays pour des canadiens et donnent des spécifications de l'acheteur canadien.

Dans le premier cas, il est admis que le volume de tels imprimés, impottés au Canada, est très faible en comparaison de la production totale pour la distribution au pays d'origine et comme résultat un petit volume importé au Canada peut-être vendu à un coût de production inférieur dû à la limitation du volume dans ce pays.

Cependant concernant les imprimés produits dans d'autres pays, avec les spécifications de l'acheteur canadien, des mesures de relachement à l'industrie canadienne de l'imprimerie devrait être prévue. La différence dans le coût de ce genre d'impressions entre les autres pays et le Canada apparaît comme résultat que les imprimeurs étrangers ont un volume plus élevé que la partie canadienne mais la différence dans le coût de production de tels imprimés n'est pas si grande tel le cas des publications.

Nous citerons un exemple: Les annuaires d'écoles, collèges et universités qui sont imprimés chaque année par

ces institutions sont maintenant imprimés aux Etats-Unis en nombre de plus en plus élevés parce que certaines compagnies américaines se spécialisent dans ce genre de travail. Le coût d'unité est moins élevé que s'ils étaient imprimés au Canada. Le coût de ces annuaires est soutenu largement par la publicité canadienne et il apparaît pour nous que ces dollars devraient demeurer au Canada afin de maintenir à un levier prospère l'industrie canadienne d'imprimerie.

Tout imprimé importé de pays étrangers qui pourrait être produit au Canada, même à un prix un peu plus élevé, signifierait, pour les Canadiens à la recherche du travail dans ce secteur particulier aussi bien pour les apprentis qui ont reçu leur entraînement au Canada et qui bientôt atteindront le statut de compagnon, un emploi stable.

Il est commun à l'heure actuelle de voir des travailleurs canadiens se rapporter aux bureaux de leurs Unions à la recherche du travail et être obligés de leur dire qu'aucune position n'est ouverte au Canada et les conseiller de se déplacer aux Etats-Unis où la demande est toujours plus grande.

Il n'apparaît pas raisonnable dans l'industrie de l'imprimerie au Canada de dépenser des ommes fabuleuses à

l'entraînement des apprentis de l'imprimerie seulement pour que ceux-ci trouvent au terme de leur apprentissage que leur métier ne peut se pratiquer dans leur pays dû au fait au manque de travail.

Généralement la période d'apprentissage est de six (6) ans et quelques années de cette période n'apportent aucun travail productif et aucun revenu à l'employeur. En plus employeurs et employés contribuent à maintenir la Commission d'apprentissage des Métiers de l'Imprimerie pour le district de Montréal, laquelle a charge de l'entraînement des apprentis dans les différentes branches du métier. Aussi le gouvernement de la Province de Québec contribue largement au coût d'opération de ce comité. L'Institut des Arts Graphiques de la Province de Québec fait aussi sa part largement et à un coût considérable pour le payeur de taxe de notre Province. Il est certainement désappointant après de tels déboursés dans l'entraînement des apprentis, que leur métier ne puisse être pratiqué dans leur pays et qu'ils soient encouragés à émigrer aux Etats-Unis afin de se chercher du travail pour leur permettre de vivre convenablement.

L'inhabilité apparente de l'industrie de l'imprimerie de la Province de Québec de concurrencer avec les

pays étrangers n'est certainement pas un manque d'initiative de leur part. Plusieurs compagnies sont demeurées les pionniers dans l'industrie et aujourd'hui continuent à être de l'avant devant les nouveaux procédés d'imprimerie. De leur côté, les unions prennent les responsabilités adéquates pour entraîner leurs apprentis ou de ré-entraîner les compagnons sur des procédés nouveaux et nous croyons que de telles mesures de protection devraient être apportées à l'industrie afin de donner aux employeurs et employés la sécurité nécessaire qui maintiendra celle-ci à un niveau où elle pourra produire des imprimés de tout genre et de haute qualité pour le bénéfice des Canadiens.

En soumettant ce mémoire notre Fédération produit un état de faits, lesquesl ne peuvent être substitués mais ne peuvent apporter, comme remède à une situation tout à fait anormale, des suggestions positives.

Nous n'avons pas les facilités d'un bureau de recherches pour fai re des recommandations basées sur les technicalités concernant les tarifs et les lois de taxations. Nous voulons cependant faire remarquer qu'il y a une certaine inconsistance en ce qui regarde la protection de notre métier entre le Canada et les Etats-Unis.

La présente loi du tarif gouvernant l'importation des plaques des Etats-Unis utilisées pour le reproduction des magazines permet celle-ci gratuite, alors qu'une imposition lourde est placées sour l'item No 473A de la loi des tarifs.

Les manufacturiers canadiens de plaques d'imprimerie emplo ent un certain pourcentage de la main d'oeuvre et leurs industries contribuent dans une large mesure à l'économie canadienne. C'est notre opinion que cette branche de l'industrie devrait être protégée contre l'importation étrangère.

La loi américaine gouvernant l'importation des plaques d'imprimerie est une barrière protectrice par une imposition de 10½% sur tous genres de plaques d'imprimeries pour leur utilisation. En respectant cette loi d'importation aucun arrangement réciproque a été prévu par les autorités canadiennes.

Les annonceurs domiciliés aux Etats-Unis se trouvent, par ce fait, protégés sur ce marché toujours grandissant du Canada, c'est maintenant une pratique commune de faire ces plaques aux Etats-Unis pour ensuite être livrées au Canada. Si une barrière était placée sur ces importations ceci aurait un effet direct sur l'industrie des plaques au Cana-

da et nous croyons que c'est d'importance capitale pour elle.

Lorsque les manufacturiers canadiens de plaques d'imprimerie importent un travail artistique ou autre matériel pour la simple raison de manufacturer ces plaques, une imposition lourde est prélevée. Si cette imposition était abolie ceci aurait un effet direct sur les annonceurs américains sur le travail préparatoire des manufacturiers canadiens pour lesquelles ces plaques sont produites.

Plusieurs fois des opinions ont été exprimées concernant les éditions canadiennes des publications étrangères devraient être produites au Canada. Notre Fédération partage ces opinions en son entier et nous croyons que si les éditions canadiennes sont imprimées au Canada, il resterait encore un manque de travail pour les ouvriers de toutes les branches de notre grande industrie.

Nous référons spécialement sur les nouvelles technicalités dans l'industrie de l'imprimerie qui permettent l'importation au Canada de matériaux pour compléter l'impression de magazines ou d'imprimés. Ces matérieux qui entre au Canada, que ce soit sous forme films, rubans, matrices ou plaques, devraient être contrôlés par le gouver-

nement et ainsi, il y aurait moins de perte de situation dans toutes les branches des métiers que nous représentons.

A ceci, nous pouvons affirmer par les exemples suivants combien l'industrie est affecté dans l'embauchage des membres de cette Fédération:

Lorsqu'un film est importé , il y a perte de travail pour les compositeurs et photograveurs.

Lorsque les ruban sont importés, il y a moins de travail pour les typographes.

Lorsque les matrices ou formes sont importées, il y a perte de travail pour les compositeurs et clicheurs.

Lorsque les plaques sont importées tout travail qui doit être effectué avant d'être ajusté sur les presses à imprimer est perdu.

De plus, nous avons au Canada, depuis quelques années, un nombre toujours croissant de revues européennes qui inondent le marché canadien d'expression française.

Ces revues inondant notre marché sont des revues dans bien des cas immorales et qui sont vendues à des prix excessivement bas et qui ne sont pas expédiées d'Europe dès

leur livraison en ces pays mais sont simplement des retours.

Aujourd'hui le marché canadien d'expression française étant inondé de ces revues ceci a créé depuis plus d'un an une vague de chômage qui nous rappelle les années précédant la période de guerre.

Nous croyons que le temps est venu qu'un essor au commerce de l'édition de notre Province devrait être donné afin que tous ceux qui aujourd'hui se cherchent du travail puissent profiter de ce travail qui serait d'ailleurs de la plus grande importance pour maintenir le niveau de vie des artisans de notre industrie.

En protégeant notre industrie, le plein emploi serait protégé, non seulement pour la génération actuelle, mais pour les générations futures. Nous pourrions diriger nos enfants vers des métiers qui font aujourd'hui l'honneur de notre Canada. Nous pourrions ainsi leur assurer une sécurité dans le monde du travail.

Comme nous l'avons spécifié plus haut, nous n'avons pas les facilités d'un bureau de recherche pour offrir des suggestions qui pourraient rectifier l'introduction étrangère. Nous croyons cependant que les employés du domaine de l'imprimerie devraient avoir toute la protection qu'il est possible

d'avoir de notre gouvernement.

PAR MONSIEUR BEAUBIEN,

Commissaire:

Monsieur Lévesque, est-ce que votre fédération des Unions Internationales des Métiers de l'Imprimerie de la Province de Québec est affiliée aux unions américaines?

PAR MONSIEUR A. LEVESQUE,

Pas la Fédération elle-même.

PAR MONSIEUR BEAUBIEN,

Commissaire:

Seulement.....?

PAR MONSIEUR A. LEVESQUE:

Les unions mentionnées qui sont affiliées aux unions américaines.

PAR MONSIEUR BEAUBIEN:

Commissaire:

Y a-t-il eu des pourparlers entre vos locaux et ceux des Etats-Unis pour discuter de cette question-là?

PAR MONSIEUR A. LEVESQUE:

Actuellement, nous croyons simplement, et à la

demande de nos membres de présenter ce mémoire, nous croyons que ceci relève exclusivement de la Fédération de cette province.

PAR MONSIEUR BEAUBIEN:

Monsieur Lévesque, en autant que la concurrence est concernée, quel pays d'après vous se trouve à montrer la concurrence la plus sérieuse?

PAR MONSIEUR A. LEVESQUE:

La concurrence la plus sérieuse, si l'on se base sur les imprimés de langue anglaise, ce sont les Etats-Unis. Si on se base sur les imprimés de langue française, c'est la France et la Belgique.

PAR MONSIEUR BEAUBIEN:

Au paragraphe 22 de la page 6: "de plus, nous avons au Canada, depuis quelques années, un nombre toujours croissant de revues européennes qui inondent le marché canadien d'expression française", est-ce que vous suggérez qu'il y ait une certaine restriction sur l'importation de ces revues-là?

PAR MONSIEUR A. LEVESQUE.

Je le crois. Maintenant, comme nous disons que nous n'avons certainement pas actuellement chez nous - et comme fédération, et comme cèst locaux individuels - le

département de recherches que nous aimerions avoir, pour pouvoir faire des suggestions positives sur cette question-là, alors, naturellement dans un avenir très rapproché, alors que le Congrès Canadien du Travail apparaîtra devant vous, eh bien, celui-ci qui dans son organisation a le bureau de recherches nécessaires pourra vous éclairer encore plus que moi sur cette question.

PAR MONSIEUR BEAUBIEN,

Si des restrictions étaient apportées à l'importation de ces périodiques-là ou revues de l'autre côté, quel substitut y aurait-il ici au pays à Québec.....

PAR MONSIEUR A. LEVESQUE:

J'ai l'impression, en somme, j'ai l'impression que probablement les imprimeurs canadiens ou éditeurs canadiens pourraient certainement produire quelque chose.

PAR MONSIEUR BEAUBIEN:

Alors, pour le moment, il n'y a pas de publications à votre connaissance au pays à Québec, ici, qui produisent des revues semblables à celles qui sont importées de France ou de Belgique?

PAR MONSIEUR A. LEVESQUE:

Semblables, je ne le crois pas, mais nous avons des

revues d'expression française qui sont publiées. Vous avez "Le Samedi", vous avez "La Revue Populaire", en somme qui sont des revues, qui sont imprimées au Canada depuis des années, qui dépassent 150 ans et qui au fur et à mesure que cette importation arrive au Canada perdent la circulation et qui tout à l'heure vont disparaître.

PAR MONSIEUR BEAUBIEN:

Je faisais allusion surtout aux petites revues de grand tirage.....?

PAR MONSIEUR A. LEVESQUE:

C'est celles-là qui affectent l'industrie énormément.

PAR MONSIEUR BEAUBIEN:

Les grandes revues comme "Marie Claire","Paris Match", ce serait difficile pour le Québec de produire des revues semblables ici?

PAR MONSIEUR LEVESQUE:

Je le croirais, pour ces grandes revues-là.

PAR MONSIEUR O'LEARY:

Thank you very much.....

(en anglais.(

ROYAL COMMISSION ON

Publications

HEARINGS

HELD AT

TORONTO

VOLUME No.:

19

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ROYAL COMMISSION ON PUBLICATIONS

Proceedings of hearings held in
Simcoe Hall, University of Toronto,
in the City of Toronto, Ontario,
on the 12th day of December, 1960,
et seq. at 10.30 a.m.

COMMISSION:

M. GRATTAN O'LEARY	Chairman
J. GEORGE JOHNSTON	Member
CLAUDE P. BEAUBIEN	Member

P. MICHAEL PITFIELD	Secretary
G.H. QUINN	Administrative Officer

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--- On commencing at 10.30 a.m.

THE SECRETARY: The following is the text of a Commission appointing Mr. Grattan O'Leary, Esquire, John George Johnston, Esquire, and Claude P. Beaubien, Esquire, to be Commissioners under Part I of the Inquiries Act to inquire into and report upon the recent and present position of and prospects for Canadian magazines and other periodicals. M. Grattan O'Leary, Esquire, to be Chairman of the said Commissioners.

Dated 27th September, 1960.

Recorded 30th September, 1960.

Film 98 - Document 163.

Signed by F. Weatherhead,
for Registrar General of Canada.
Reference No. 163102.

ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, Canada and Her other realms and Territories QUEEN, Head of the Commonwealth, Defender of the Faith.

TO ALL TO WHOM THESE Presents shall come or whom the same may in anywise concern,

GREETING:

WHEREAS pursuant to the provisions of Part I of the Inquiries Act, Chapter 154 of the Revised Statues of Canada, 1952, His Excellency the Governor in Council, by Order P.C. 1960-1270 of the sixteenth day of September, in the year of Our Lord one thousand nine hundred and sixty, a

copy of which is hereto annexed, has authorized the appointment of Our Commissioners therein and hereinafter named to:

(a) inquire into and report upon the recent and present position of and prospects for Canadian magazines and other periodicals with special but not exclusive consideration being given to problems arising from competition with similar publications which are largely or entirely edited outside of Canada or are largely or entirely foreign in content; and

(b) make recommendations to the government as to possible measures which, while consistent with the maintenance of the freedom of the press, would contribute to the further development of a Canadian identity through a genuinely Canadian press,

and has conferred certain rights, powers and privileges upon Our said Commissioners as will by reference to the said Order more fully appear.

NOW KNOW YE that, by and with the advice of Our Privy Council for Canada, we do by these Presents nominate, constitute and appoint M. Grattan O'Leary, Esquire, of the City of Ottawa, in the Province of Ontario; John George Johnston, Esquire, of the City of Toronto, in the Province of Ontario; and Claude P. Beaubien, Esquire, of the City of Montreal, in the

Province of Quebec, to be Our Commissioners to conduct such inquiry.

TO HAVE, hold, exercise and enjoy the said office, and trust unto the said M. Grattan O'Leary, John George Johnston, and Claude P. Beaubien, together with the rights, powers, privileges and emoluments unto the said office, place and trust of right and by law appertaining during Our Pleasure.

AND WE DO hereby authorize Our said Commissioners to exercise all the powers conferred upon them by section 11 of the Inquiries Act and be assisted to the fullest extent by government departments and agencies.

AND WE DO hereby authorize Our said Commissioners to adopt such procedure and methods as they may from time to time deem expedient for the proper conduct of the inquiry and sit at such times and at such places in Canada as they may decide from time to time.

AND WE DO hereby authorize Our said Commissioners to engage the services of such counsel, staff and technical advisers as they may require at rates of remuneration and reimbursement to be approved by the Treasury Board.

AND WE DO hereby require and direct Our said Commissioners to report their findings to Our Governor in Council with all reasonable despatch and file with the Dominion Archivist the papers and records of the Commission as soon as reasonably may be after the conclusion of the inquiry.

AND WE FURTHER appoint M. Grattan O'Leary, Esquire, to be Chairman of Our said Commissioners.

IN TESTIMONY WHEREOF we have caused these Our Letters to be made patent and the Great Seal of Canada to be hereunto affixed.

WITNESS:

The Honourable Patrick Kerwin, Chief Justice of Canada and Deputy of Our Trusty and well-beloved Major-General George Philias Vanier, Companion of Our Distinguished Service Order upon whom We have conferred our Military Cross and Our Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

AT OTTAWA, this twenty-seventh day of September in the year of Our Lord one thousand nine hundred and sixty and in the ninth year of Our Reign.

BY COMMAND,

Signed by C. Stein,

Under Secretary of State.

THE CHAIRMAN: I think Doctor Bissell wanted to say something.

DOCTOR BISSELL: Mr. Chairman, I just wanted to welcome you and your fellow Commissioners to the University of Toronto. This is the senate chamber where the final decisions of the University are made and we think it is an appropriate place for this distinguished Commission to have its hearings.

THE CHAIRMAN: Thank you, Doctor Bissell, for

providing us or admitting us to these hallowed precincts. Thank you for your words of welcome and we as Members of the Commission welcome here all the participants because we are greatly in need of counsel and of wisdom. We would like to assure you that all your submissions to us will receive the closest attention.

SUBMISSION OF MR. RALPH ALLEN

THE CHAIRMAN: You are speaking for yourself?

MR. ALLEN: Yes and I would like to clarify that. I have not prepared any brief. To avoid any danger of appearing under indistinct colours I should explain it is my belief when the Commission was kind enough to suggest that I might appear they were of the belief that I had severed all connections with the Maclean-Hunter Publishing Company and was appearing as a freelancer. That is not so, and merely for the purposes of clarification I should say I am spending half of my time writing for myself as a freelance writer and about half my time working for Macleans magazine as a writer but not in any policy-making capacity. I am also a small shareholder in the Maclean Publishing Company and a member of the board of directors although I hope to be relieved of that position soon. I cannot claim to be a disinterested witness here insofar as that company or the profession of publishing, or the profession of writing is concerned.

Having made that clear I should like now to offer a few very general remarks and perhaps suggest

one thing to the Commission that I am not certain has been stressed enough. I have not had access to the full reports of the hearings and I am relying on this impression only on newspaper accounts. There is one thing so far as I have been able to see has not been recognised by the press although I am quite sure it has occurred to the Commission itself. To begin with I would like to give you some idea of my orientation on the broad principle at stake here. I have the advantage of having made insofar as anyone can define the position on these rather abstract matters, I have the advantage of having met in July 1955 at a conference of writers, editors and people in and close to the publishing field at Kingston, Ontario at Queen's University. This conference was held under the auspices of the Rockefeller Foundation and I was asked to give a paper and asked to give my ideas about a Canadian magazine and the special problems of it. I find in looking back over this volume, the problems that are now before this Commission become very indistinct and vaguely feasible when we think of the responsibilities that fall on me as an editor because, as I was at that time without the inhibitions and the special interest that now seems to me to becloud and complicate the issue. If you gentlemen do not mind me reading my own words I would like to do so and then go on to the one real point I wished to make. As I said, this was in 1955, I think it was July, and as I say we were not talking about precisely the same things that are before the Commission but I think you will agree the

observations have some bearing on the subject:

"Perhaps I had better explain that by Canadian magazine I mean a magazine that is edited, published, owned and chiefly circulated in Canada. Viewed as a unit, Canadian magazines are in a curious and paradoxical position. Except for one highly encouraging and as yet dimly understood fact of our national life, there ought to be no Canadian magazine business at all. If it were in fact a business and nothing more, it would long since have disappeared, or become another American-owned branch plant. As it is, I doubt that any substantial Canadian industry has faced such a suffocating volume of competition from outside Canada and still managed to survive. If business papers and other periodicals aimed at highly specialized audiences are to be excepted there are not a dozen commercial magazines in the English language in the entire country. For the Canadian reader's attention and of course for his money this corporal's guard of domestic magazines must compete with literally hundreds of American periodicals. These range all the way from Confidential and its highly salable colleagues of the newest garbage group to the dozens of eminently respectable and readable slicks, and women's and semi-literary magazines whose right to run the magazine I work for out of business, if they can, I will cheerfully defend with at least my second last breath.

But here is the paradox. Though, in the aggregate, the imported periodicals still outsell the Canadian magazines, the Canadian magazines on any individual com-

parison far outsell their most formidable American rivals. In Canada the magazine I work for outsells the top-selling United States slick by considerably more than two to one. I should like to feel that this means we are more than twice as good; but to be quite candid I don't think we're any more than one and a half times as good. This disparity of one-half point, I believe, is represented by that dimly understood and relatively new fact of our national life of which I spoke a moment ago. Although our movies and most of our television shows still come from Hollywood; although most of our books and magazines come from New York, and most of our children's heroes from the mountains of Tennessee, we Canadians have in the last few years developed a very lively curiosity about ourselves. There was a time, even within my relatively short experience, when many Canadians believed quite honestly that anything originating in Canada - be it short story, or football player, or radio programme - could not, by definition, be as interesting as a similar thing originating in the United States. Now I am convinced the pendulum has not only swung back but has already passed centre. In my opinion it will be a national disaster if we allow it to swing so far that we begin using the word Canadian as a synonym for all words denoting excellence and fall into the abysmal habit of reading stories solely because they are Canadian stories or buying magazines solely because they are Canadian magazines. But if we have acquired the wisdom to be no less than fair and no more than fair to

ourselves and to our own, then perhaps the Canadian writer may hope to find in his own country the climate any writer must need and cry for."

I do think I would amend that position in the light of the events of the last five years except perhaps insofar as the conditions under which it was made have altered when the late-lamented magazine tax first came in; as an editor, as a reader and as a writer, I did not think it was going to solve the problem that it was designed to solve. I do not think it could ever be explained to the general public in terms so clear and readily graspable that it would not be misunderstood merely as a division for the private relief of one particular sector of the worth of Canadian communications. I still feel, however, that no sector of that very important field should be left at the mercy of competition which, in effect, gives the competitor from abroad a very great advantage and in some respects one might say an unfair advantage. However, I am prepared to answer any questions on this. Perhaps just to clarify my own attitude as much for myself as for the Commission, there is one point and this is really the only point I wish to make at this time. This is one point that I do not think the rest of the press in Canada has understood or dimly grasped and it is the question of protection for Canadian national periodicals against a form of dumping from abroad. This is not only a question that concerns the Canadian magazine industry, it seems to me it concerns Canada as a whole and the whole field of

publishing and communications in Canada. I think it is a great mistake to think this country was created and ordained by God. The fact of the matter is, it was put together and held together by various artificial and man-made devices, to mention only a few, and most of them are related to the field of communications; there are the railroads which we found it necessary to protect against James J. Hill and others, we felt it necessary to subsidise them. I want to make it clear I am not suggesting any subsidy on Canadian magazines. We found it necessary to extend the same kind of support to the telegraph agencies. We considered it wise to create the C.B.C. so there might be a place in Canada for a genuine Canadian voice in the field of electronic communication. We did not attempt, so far as I am aware, to exclude any ideas, any form of entertainment from abroad; I think largely we arrive at a respectable compromise. Nevertheless, it was not something that was ordained or created by God, it was created by Canadians trying to carve out some sort of distinct and common ground. At one time the Canadian press which is an assocation of commerical newspapers accepted a cash subsidy from the Government of Canada of $50,000 a year. We have so many examples of the kind of thing that has bound our economy together that I must say I am appalled at the apparent unwillingness of those whose ox is not in danger of being gored but know there is an ox out and it is being gored and perhaps the national interest is being jeopardised at least to some extent. I do not

know if anyone has testified on this point before or not but at any rate I have not seen anything in the press report about it. If I might be permitted to speculate for a minute, it is not in the realm of science fiction, it strikes me if we as a country turn our backs on the principle that genuinely Canadian agencies of communication are not to be allowed a place in which they can compete at least on equal terms with organisations and agencies from abroad, then I believe we are opening up an area to this sort of competition that will perhaps not only end in very serious difficulties for the periodical press of Canada but for the daily press of Canada.

Some of you may have noticed that one of our large newspapers has reached the stage of experimentation that it feels it is possible to distribute a national newspaper in all parts of the country almost simultaneously.

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And now, let us carry that a bit further and see if it possible with these new devices, these new scientific instruments of simultaneous distribution of the same periodical in a large number of places could affect not only the welfare of certain individual newspapers, but the welfare of the Canadian newspaper press as a whole. I believe it is quite possible this might happen.

The reason that magazines are particularly vulnerable to competition from abroad is the nature of the periodical press as such that with universal and simultaneous distribution it is able to cut the publishing schedules and distribution schedules so that it is possible to get a copy of Maclean's in Vancouver on the same day that it is available to you here in Toronto, the point of origin; it is possible to get a copy of the Saturday Evening Post in Seattle the same day it is available in Philadelphia or New York.

If the newspaper press could ever overcome what hitherto has been the obstacle in this sort of distribution, and the newspaper press could find it possible to distribute simultaneously all across the continent, particularly the same news, particularly the same content and with local variation of the Canadian edition to the American magazines, then we might find something like this; you might find, say, a truly national American newspaper like we have in the New York Times or the New York Daily News, but more likely it would be some device to serve a particular national purpose, and it is as able, say, as

Time Magazine, and the way this is done is by national advertising, the kind that appeals to the consumers of national goods and the kind that appeals to or interests people throughout the country of origin, and this is to be varied by international editions which are somewhat modified to take care of a foreign country where the special edition is being distributed.

So, this hypothetical national American newspaper presumably would have, let us say, forty pages, which is its staple and which would be produced in Chicago or New York. This would include a national and international news, and it would include automobile advertising, food advertising, the sort of advertising that is available to one who is selling the products on a very large scale and in a very large area.

Then, suppose that master edition or that master package were sent into Toronto it might consist of 98 pages or 120 pages, we don't know how much it will be, but at any rate the cost would be paid for almost entirely, the cost of the editorial content, a substantial part of the cost of the printing and the foreign bureau would be paid for substantially by the mother edition or the American edition, so that these 60 or 80 pages which are available at almost no cost to the editors of the Canadian satellite would be set up in a matter of minutes. In the meantime, a small branch office here would have been selling advertising to Canadian advertisers and would have been publishing news which would be local news for the Toronto or the Vancouver edition, then I would be willing

to predict that the lofty attitude which the Canadian newspapers have viewed this whole problem would be amended very quickly or they would look at it from a different point of view.

It is my very strong feeling, sir, that this is not just a question of a few Canadian magazines surviving, it is a question of whether we are to create the sort of climate or even allow the sort of climate in this country where truly Canadian publications have an even chance to if not flourish, to at any rate survive. I do want to repeat again that I would be the last person with my last breath -- my second last breath -- I think I would defend with my last breath the right of publications from abroad, whatever the point of origin, incidentally, and almost whatever the content, but I would like it to be read and sold in this country.

I do feel, however, that when they are permitted to use prefabricated and prepaid for articles and to use those as a major ingredient of something that purports to be a Canadian publication and enjoys the hospitality of Canada, both economically and intellectually, as I say, I am not at all sure that this should be denied to them.

If it should be denied to them, then it seems to me whatever inequities that hospitality to those from abroad have created for those at home who are investing in this country, are oriented to this country, it seems to me that those inequities ought to be straightened out in some way so that the disadvantages that the Canadian periodicals -- and I believe this was a Canadian newspaper

at one time -- the principle on which we have worked so far, I think that unless that inequity can be balanced by the periodical press and the daily press, Canada and Canada's future will be in the same kind of jeopardy that the future of the periodical press in Canada is in now.

THE CHAIRMAN: Do you have any questions, Mr. Johnston?

COMMISSIONER JOHNSTON: Mr. Chairman, I have been watching your mind at work on this, and I think that you will ask the same questions which I would like answered, so I suggest that you go ahead,or perhaps Mr. Beaubien would like to ask something.

THE CHAIRMAN: Well, Mr. Allen, first of all let me say this; you suggested that some other witnesses may have mentioned some of the things you have mentioned, and I think I should say to you at once that they have, but they certainly haven't put it with the clarity and understanding that you have put to it.

You say that you would defend with your second last breath the survival of magazines in Canada from a certain amount of attack. Would you defend all of them?

MR. ALLEN: No sir, that is not quite what I said, although I don't want to seem to split hairs.

THE CHAIRMAN: Would you repeat it again?

MR. ALLEN: I said that I was speaking of the American publications, American magazines, and this included Confidential, the kind I consider to be the worst and the best of them, and those that might fall in between, and I said 'it is their right to run the magazine. I

work for out of business if they can. That I will cheerfully defend with at least my second last breath. Really what I mean, sir, is that I am very much in favour of freedom of the press, but where it becomes so generous that it creates a kind of cannibalism and defeats its own purpose, then I think if we can, without sacrificing the essential principles, we ought to do something. By all means let the American publications come in, and let publications from all over the world come in, and if they are coming in I will defend with my second last breath that principle, but when they are coming in under conditions that make it possible and easy for them, and perhaps even almost inevitably that they will run the existing Canadian publications out of business, then I might draw on my last breath and start defending the Canadian publications.

THE CHAIRMAN: What I meant was this; if it would be established and accepted that Canadian periodicals and magazines are under unfair attack from within and are in danger, and steps were taken to avert that danger, would you then agree that the Canadian publications which are saved from extinction -- that a duty then devolves upon them to provide better magazines?

MR. ALLEN: I think that duty devolves on them already.

THE CHAIRMAN: Well, are they all exercising it?

MR. ALLEN: No, they are not. Of course, I am not here to defend other magazines -- the performance of

the magazines or the performance of the press. I will say that the magazine I work for has certain ideals, certain aspirations, certain goals, and if we do believe that we have ever achieved what we were shooting for, then we wouldn't deserve to be putting up a case.

THE CHAIRMAN: You would defend, one, the bad magazine; the magazine published in Canada yet printing probably as much American material as a magazine published in the United States and, two, you would defend the build-up of a magazine monopoly in Canada?

MR. ALLEN: I wouldn't defend -- well, let me answer it one by one. As to a bad magazine, someone's definition of a bad magazine wouldn't be the same as someone else's definition of a bad magazine. It seems to me that as long as -- first of all, I should say that I am absolutely opposed to censorship in any form. I believe that we have laws that at not very adequate to protect us against that.

THE CHAIRMAN: I wasn't thinking of that; I was thinking of a general category.

MR. ALLEN: It is a matter of taste; what I would consider to be a bad magazine someone else might consider to be a good magazine, and I think that on the grounds of quality you have got to allow the public to judge. You have to hope that the bad ones will ultimately driv themselves out of business or that the public will do it for them, and that the good ones will flourish given an equal chance.

When you say should there be any distinction

between magazines that are carrying American stuff, or stuff from abroad or reprinted stuff, I think ultimately -- I would say it is a thing known to anyone who believes in the maxim of intellectual freedom, and I think that would be distasteful, and I have no doubt that some sort of a mathematical formula might be devised.

THE CHAIRMAN: I am surprised to hear you with all your experience as a newspaperman advancing a cliche which is very dear to the heart of newspaper people, and that is that the public taste will contain those things; I think you inferred that. Well, it is the public taste -- is it strictly for literary people; has the public taste driven the News of the World out of business?

MR. ALLEN: No.

THE CHAIRMAN: Is it driving the Mirror out of business? It took Mr. Roy Thomson to get the Graphic out of business.

I am saying to you now, look here, if this recommendation and this Commission, in its wisdom or lack of it, recommended to Parliament that certain steps be taken to prevent unfair practices against Canadian magazines, don't you think that it would also have the right to say that those magazines must have some responsibility, then, some responsibility to the reader to at least try to provide something that would compete with those American magazines? Must it be all left to the States, must not something be left in the way of competition to the Canadian magazines themselves?

MR. ALLEN: I certainly agree on the principle

of competition; however, sir, I didn't come here prepared to argue about publications.

THE CHAIRMAN: I am not arguing, I am just trying to get your very sensible and realistic views.

MR. ALLEN: I will tell you what my basic view is. There will always be good and bad magazines and there will always be indifferent magazines, and the only thing on which I feel like commenting here now is that I say let us have some bad Canadian magazines, if at the same time we can have some good ones. We will always have bad American magazines and bad English magazines as well as good ones, and here we are at the stage where it may seem to be impossible not only to have a bad Canadian magazine, but impossible to have a good one, and I myself, sir, feel that if the people should allow the issue to be crowded by the idea that a lot of magazines are bad and we would be better off without them, then we might find ourselves in the position that we will have satisfied ourselves and we are without any magazines.

THE CHAIRMAN: I personally -- and I am sure this goes for my fellow Commissioners -- was glad to hear what you had to say about communications, because I think it is true that if a sovereign state does not protect its communications it is certainly not protecting its chief lines of defence, and if it loses those communications, such as transportation and banking -- I was glad to hear what you said on the point of communications, but let me ask you this; you are in favour, I can see that, quite strongly in favour of a good, sound Canadian periodical

press. Now, we have a law in this country -- and there is such a law in most countries -- an anti-dumping law, and all governments have supported the anti-dumping legislation, which is merely a device to protect your country, its industries or its institutions and enterprises, whatever you may call that, from unfair invasion from abroad, and I don't need to explain to you what dumping means.

And now, if it can be shown that the principle of dumping is being practised against our periodical press, and that because of that practice our periodical press is in danger of disappearing in, say, five or ten years, would you call that not a calamity, this entire situation, a disaster, or would you call it a very dangerous thing for Canada; would you contemplate a Canada in which the periodical press disappeared entirely?

MR. ALLEN: Yes, I can contemplate a Canada in which the periodical press has disappeared. I can contemplate a Canada in which the C.B.C. has disappeared, and contemplate a Canada in which the railroads have disappeared.

THE CHAIRMAN: You would think this very undesirable?

MR. ALLEN: No, I think it would be very undesirable.

THE CHAIRMAN: "Undesirable" is what I said; you would think it very undesirable?

MR. ALLEN: I would.

THE CHAIRMAN: Then would you say that the state, in order to prevent that undesirable situation from

developing, had some right to step in and by the exercise, let us say, of the principle of anti-dumping, do something to avert such a disaster or calamity?

MR. ALLEN: I would if it provided a law that is consistent with other laws, and consistent with our proper national and agreed nationalized aspirations, provided that no dangerous precedent is set, and it seems to me that our present dumping laws do not quite provide for this particular situation.

THE CHAIRMAN: You are quite right, the principle could be extended.

MR. ALLEN: Yes, the principle could be extended, and in my opinion, if a better way can be devised, I would feel that it would be quite proper for us to examine the dumping laws and see if some protection can be given to the Canadian magazines and other Canadian publications under the revised dumping laws without setting a precedent that the country wouldn't care to sustain, and in that connection, I don't pretend to know enough about the economies of the magazine business or the country at large to offer any suggestions, but after the Montreal hearings there was a suggestion made by my friend, Leslie Roberts that the Canadian editions ought to be required to pay -- I don't know whether he said as high an advertising rate, but at any rate a higher advertising rate than would be on their present rate cards for the Canadian editions. In other words, that the subsidy in the form of dumping should not be extended fully to the Canadian editions. I don't know how well that suggestion of Mr Roberts has been

considered by economists, but it struck me as a sort of thing that might be tried.

THE CHAIRMAN: You have mentioned, sir, and I think very well, that you wouldn't like to see the flow of American magazines coming to Canada stopped?

MR. ALLEN: No sir.

THE CHAIRMAN: And we agree with that, and I hope that you will notice in our terms of reference this has been stressed, that we must not interfere with readership preference, and it also stresses that we must not interfere with press freedom, as it is rightly understood, but one of the troubles which we are encountering is with people coming before us with the most fantastic distortions in their minds of what press freedom is about.

And now, I don't think you would be guilty of that sort of thing; I think you know too much about what is happening to Canadians in this country, and the C.B.C. with respect to private T.V., where the state has said that you must have a 55% Canadian content, and I notice that some of these seemingly do not object to that, but they are crying to high Heaven about the same restrictions being placed on the Canadian content of American magazines. And now, this is where we value a witness such as yourself. Would you say that there was no tremendous interference with the public press if the Government of Canada said that a magazine, to be deemed a Canadian magazine, should, to have the privileges and rights of a Canadian magazine, should be owned in Canada, edited in Canada, its policies controlled in Canada, its news and editorial matters

written in Canada by Canadians; would there be anything wrong in that?

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MR. ALLEN: I think, sir, that the government might properly make certain stipulations in that area where they were trying to arrive at a distinction between the sort of publication that is entitled to one kind of concession, one kind of hospitality, if you like, from our postal and tax laws, and another kind that is not entitled by virtue of its Canadian effort and identity to exactly the same sort of concession. I don't think this has really very much to do with freedom of the press. It would be a violation of the freedom of the press if we were to say any magazine that is not even one per cent originated in Canada or one per cent owned in Canada shall be permitted to circulate in Canada -- that sort of restriction which is really a restriction against the free flow of ideas.

THE CHAIRMAN: Oh, no one ever thought of that.

MR. ALLEN: I know that is not what you mean.

THE CHAIRMAN: You sounded like Mr George Orwell when you talked about these facsimile newspapers flying all over the country of one hundred pages. This frightened me to death. I do make my living on a small nespaper, myself. But, nevertheless, when we consider what has happened over the past twenty-five years, this is not a mad dream; I think it is much more realistic than some of the things contemplated by Mr. Orwell. I must say that your whole statement has pleased me personally enormously. I think your understanding of the situation and the difficulties we face has been very, very deep and very good and very helpful, and I would not want

you to go away from here with some of the silly notions and assumptions that some people have come before us with. First of all, there are people who come before us and they seem to think advertising is the be-all and end-all of life, and if anything is done about advertising the freedom of the press and everything goes down. This is nonsense, really. It is good to have you come here and point out the logicalities. Thank you very much.

COMMISSIONER BEAUBIEN: Mr. Allen, you express some fear that the newspaper press in Canada may eventually become a national press, possibly foreign owned and foreign directed?

MR. ALLEN: It seems to me -- and I will admit I was merely trying to extend the application of this principle into an area that is still fairly cloudy -- but it does happen that the Toronto Globe & Mail have announced -- and when I worked there, ten or fifteen years ago, George McCullough was tinkering with facsimile, and he was quite determined it would become in time a commercially feasible method of obtaining national distribution for a national newspaper. I think I read somewhere the Globe & Mail is now at the stage where it is seriously contemplating issuing a national facsimile with the help of advertising, and that would be a very healthy thing. But, if that is possible, there is no reason why an edition of the Chicago Tribune or the New York Times, or any other American newspapers cannot be distributed in Canada on the same basis, which is substantially the same basis on which the Canadian editions of American publications are distributed here. I don't think this is altogether fanciful.

The only reason I brought it up was to try to make the point that the danger here is not just the principle that applies to one little segment, namely, the periodical segment of the Canadian publishing industry, but one that in principle applies to the industry as a whole, and that the dangers now apparent to the periodical press are imminent and implicit in the principles at play for the whole press. Beyond that I am not predicting anything, but, certainly, if we remain as hospitable to the Canadian editions of outside publications as we have been heretofore it seems to me absolutely inevitable this great market of eighteen million people is going to look more and more appealing to the daily publisher who hitherto has been excluded from it or discouraged from entering it only because he is unable to get simultaneous distribution here. But, facsimile might make that possible.

THE CHAIRMAN: I have one final question: You were editor of Maclean's, I think, when Mr. Harris placed a tax on advertising?

MR. ALLEN: Yes.

THE CHAIRMAN: Did you oppose this tax in Maclean's?

MR. ALLEN: We didn't oppose it, but we didn't support it.

THE CHAIRMAN: Did you say that this was an interference with press freedom?

MR. ALLEN: No, we didn't. I didn't think it was.

THE CHAIRMAN: You don't believe that?

MR. ALLEN: No, I don't.

THE CHAIRMAN: You may have thought this tax was not working, and that there was some feature about it -- I am not quite certain myself whether it was good or bad; it may have done some good as a deterrent, but it was not the whole remedy -- but you wouldn't say that this was an interference with the freedom of the press?

MR. ALLEN: No sir, I didn't think that. When the tax came down I suppose I was as surprised as anybody when I saw it. My first reaction was that there was nothing wrong with it in principle or what it was going to achieve. I certainly wasn't against it, except I felt it would put the magazines in a position that they didn't deserve, and ultimately that it would be so misunderstood that large numbers of the public would say the magazines are looking for something for themselves. They would miss the principle entirely because it looked like something it was not intended to be. My only objections to the tax were that it was rather clumsy and awkward and very difficult to explain to the layman. But, I see nothing wrong with it in principle.

THE CHAIRMAN: Over the last few years, contemplating the dangers you have pointed out, you hadn't contemplated selling your Maclean-Hunter stock?

MR. ALLEN: No sir; I think the Maclean-Hunter Publishing Company is a thriving institution. We are fortunate enough to have, outside the magazine division, a number of business papers that are not subjected to the same kind of competition that Maclean's is. When Maclean's

runs into red ink -- and I should not be talking about finances here because I am not responsible for them any more-- but when they run into red ink these publications have a very strong publishing tradition and ethic which began with Colonel Maclean and Mr Hunter and the other executives of the company, and have managed to sustain the enterprise.

THE CHAIRMAN: With your experience as an editor would you say it is possible in the existing economic climate in Canada, as that climate affects publications, for a group of young men to start a good Canadian magazine and sustain it?

MR. ALLEN: Well, if I have to answer yes or no, I would say no. I would say the odds are so fantastically against it, they would have to have some old rich men to support them before they could even consider it. That would depend on how long it took the old rich men to get fed up.

THE CHAIRMAN: But you believe, as I do, that right now it would be madness for a group to start a Canadian magazine of any quality?

MR. ALLEN: It would be madness, and if you wanted to carry it further, it is madness for some existing Canadian magazines to continue in business. They could put their money out at interest and be better off fiscally. I don't visualize that happening.

THE CHAIRMAN: What do you say is the effect of this on the development of Canadian writing talent?

MR. ALLEN: Well, I believe the Canadian writer

is in a difficult position. There are not enough Canadian magazines or outlets for Canadian writers. There would be fewer if the few Canadian magazines were to disappear. I think, on the whole, certainly the magazines with which I am acquainted always put as much money coming in out again. We have paid extravagant sums for various forms of Canadian creative work. Our novel awards were never devised to pay their own way commercially. They were devised to give encouragement to Canadian writers. I must not sound like Norman Gibson Peel here: I never considered we were running a charitable institution. We considered we were running a good Canadian magazine to be read and respected and to give encouragement to Canadian writers and artists. To that extent it seems to me most Canadian magazines have done a useful job. They have not been able to sustain many writers -- certainly not in luxury. However, the writer would be worse off without them.

THE CHAIRMAN: Well, is it true -- it seems to be true -- that at the present time Maclean's is not welcoming fiction?

MR. ALLEN: I would rather let my successor as editor speak to that point. If anyone is chiefly responsible for the evolution of Maclean's fiction policy, I suppose I would be. I don't think the word "welcoming" fiction is quite the right one. We are not welcoming bad fiction, and good fiction has been very hard to come by partly because there are not enough outlets for it. It has become a very risky and unprofitable business for the Canadian writer to attempt to write Canadian short stories

with the idea of making a living because if he misses one or two publications, and the story has a strong Canadian theme, it has very slender chances in the United States or English markets. The reason we have cut back -- and we have not abandoned fiction -- I suppose I should now say "they" have not abandoned fiction -- but, at any rate, fiction has not been abandoned by Macleans. We used to buy a good deal of it from agents. We used to buy what has been called -- and perhaps not entirely falsely -- formula fiction: We used to buy boy-girl stuff and run as many as three or four in an issue. We discovered our readers preferred more serious subjects. Canada since the war has become very conscious of its own growth and become such an exciting place that if you only have eighty or one hundred pages every two weeks to give expression to that, you are not quite giving your reader a fair shake if you take 20 per cent of that to give him trivial and meaningless fiction. The reason we announced the novel awards of $5,000.00 each was so there would always be a place in Macleans for outstanding fiction stories of purpose, and that does not mean it cannot be humourous -- but, stories of purpose; stuff that has some meaning and some level. But, we did not cut down as a matter of publishing competence. We have cut down on fiction and don't feel under any obligation to print it for its own sake.

THE CHAIRMAN: Where is the young Canadian writer to go to develop his talents?

MR. ALLEN: Are you talking about the Canadian

writer of fiction?

THE CHAIRMAN: Yes.

MR. ALLEN: Well, he is in a difficult situation, but the situation of the serious creative writer has always been a difficult one. As I say, Chatelaine is buying more fiction than Macleans. Macleans always, I think -- so far as I know it is still the intention of Macleans to buy fiction where it seems to have some quality, some special validity either to Canadians or people who are interested in ideas, and perhaps nothing more pretentious than a good story. I think two or three other good Canadian magazines are publishing a limited amount of fiction, and the weekend newspapers some. The book publishing industry seems to be in a fairly thriving condition, although it has its problems too. The position of the Canadian writer is about what it has always been. The mere fact he has decided to become one in the first place means he has undertaken some fairly serious economic risks. I don't think the decision of Macleans to stop buying routine bad fiction has had any more serious consequences for the Canadian writer than to discourage some of those who have got nothing to say. I don't think Macleans has in any serious way abrogated its function and it responsibility to the Canadian creative artist, always having regard to the fact we have only got so much money and so much space and so much editorial judgment.

THE CHAIRMAN: Looking back over the past 25 years and the passing of certain Canadian magazines, would you say those magazines disappeared because of United

States competition or because of changing tastes or because of the coming of radio and T.V., or because of the incompetence of their publishers, or would it be all those things combined?

MR. ALLEN: You have not mentioned any of them by name, but I think in most cases one or more of those ingredients applied. I don't think you could say that any single one of them was alone responsible in any case I can think of.

COMMISSIONER JOHNSTON: Should you not put another ingredient in there and that is, the really tough competition from the Maclean-Hunter Publishing Company who started a new magazine?

MR. ALLEN: Well, I would not have said that. I have heard it said around our shop so often that I have come to believe it myself, that the best thing that could happen to the Maclean-Hunter Publishing Company would be three or four more good Canadian magazines giving us some opposition and trying to keep us awake, and -- and this is important -- also providing outlets for Canadian writers. The Canadian writer who is determined to be a Canadian writer and nothing else, and who is content to live in Canada and deal with themes that interest him -- not necessarily the Mounted Police -- but to write out of his own background and his own life, if there are only one or two Canadian magazines, that is bad for Canadian writers and for Canadian magazines. If there had been eight fairly vigorous and healthy Canadian magazines in operation here in competition with Macleans in the last ten or

fifteen years -- the period with which I am familiar -- I would think Macleans would still be carrying much more fiction and it would be better fiction because the writers would be encouraged. If they didn't sell Macleans they would sell our opposition, and if they didn't sell our opposition they would sell Macleans. I believe as a matter of straight, cold-blooded business it would be better if there were more Canadian magazines. It would be better for the existing ones, and I don't think my late employers are talking through their hats. I think they believe that.

THE CHAIRMAN: What does the Weekend do for young Canadian writers, or the Star Weekly?

MR. ALLEN: I really should not speak for them. I think they have solved it in somewhat the same way as Macleans has done. They carry a good deal of staff-written stuff because you can't expect the average freelance now to invest his time on a major research project without the security of taking a staff job. I think probably Weekend and the Star Weekly have come to somewhat the same accommodation Macleans has come to. We like to encourage freelance writers and give them every possible encouragement and pay them as much as we can, but we still have to have a fairly large corps of competent staff writers who can put out the magazine if the freelances have got something else to do and are not able to take them on right now. I think that is pretty well the trend in magazines everywhere.

THE CHAIRMAN: In your days at Macleans, what were your relations with Reader's Digest?

MR. ALLEN: Our relations with Reader's Digest, in what way?

THE CHAIRMAN: The articles they used of yours in their magazine, did they pay the writer or pay you or both or how did it work out? They could not use your article without your permission.

MR. ALLEN: No, this is precisely what happened. Frankly we would have preferred - if it had only been our own interests that were involved - we would have preferred that Reader's Digest never picked up anything from Macleans. Unlike some magazines we refused to accept planned articles that for some reason they wanted to reprint from some other publication and they would offer that to the publication and then either pay or pick it up gratis and print it. We did not subscribe to that sort of transaction. I suppose there is nothing unethical about it. Nor did we feel particularly jubilant when Reader's Digest picked up something from our pages because in nine cases out of ten it was our own idea, it had been commissioned by us and we had paid the fees and we were in effect subsidising one of our toughest competitors. However, if the writer wished it to be reprinted by Reader's Digest, at the writer's request we would send tear sheets to Reader's Digest.

If I remember correctly four or five years ago

Reader's Digest had so much difficulty dealing with a writer and with a publication, sometimes the publication would buy all rights and they would feel if Reader's Digest picked it up the publication was entitled to the reprint fee. We did not feel that way ourselves, we always, until this slight change in their policy took place, made a point of giving all the money to the writer and not taking any for ourselves. Some three or four years ago, I think apparently to get over these insistent misunderstandings with writers, editors and publications, they adopted a policy of making a separate payment. I am speaking from memory on this and I do not guarantee it but a policy of paying the writer a separate fee and the publication from which the article was reprinted a separate fee and I think in most cases this fee was identical. There is no money in reprints for Canadian magazines themselves but it is not a bad source of extra income for some writers.

THE CHAIRMAN: Now, one last question; as a Canadian editor of great experience, and as has been shown here this morning, of great insight and understanding, would you say that Reader's Digest is a Canadian magazine? I am speaking of the Canadian edition, the edition they get out in Canada or print in Canada.

MR. ALLEN: Well under the - I think I said in 1955 or before that - no, I would not say Reader's Digest is a Canadian magazine. I do not say, however, that it is not a worthy magazine but, no, in the terms on which we have been talking here I would not consider

Reader's Digest a Canadian magazine.

THE CHAIRMAN: What, without introducing the matter of worthiness, would you say that Time's international Canadian edition is a Canadian magazine?

MR. ALLEN: Not in the terms.

THE CHAIRMAN: That you describe there?

MR. ALLEN: No.

COMMISSIONER JOHNSTON: Would it be more so if it proceeds with its plans to print in Canada? It would then be not exactly the same as Reader's Digest.

MR. ALLEN: That is a very hypothetical question. I do not know. If its content did not change, if its editorial attitude and identity did not change, I do not think the question of where it is printed would be relevant in editorial terms. Mind you, it perhaps would be in business in economic terms but that is about all I can say. I would not consider it editorially a Canadian magazine through the mere transfer of its printing to Canada.

THE CHAIRMAN: Would control be the vital ingredient, control and direction of editorial policy, ownership and control?

MR. ALLEN: I should think that would be the main distinction and there may be some reservations and amendments outside of that.

COMMISSIONER JOHNSTON: On that same point, is Time a Chicago publication because it is printed mainly in Chicago?

MR. ALLEN: I have never thought of it - I

would not say so.

COMMISSIONER JOHNSTON: Do you believe in editorial colonialism which is what we have now to some extent?

MR. ALLEN: No. Well, I believe in editorial freedom, I think anyone who announces what he is and says so is to be admired. I think there are some dangers in someone who announces himself as something he is not and proceeds on the assumption that he is, if you know what I mean.

THE CHAIRMAN: Thank you, Mr. Allen, for a most helpful contribution.

We will recess now for five minutes.

--- Short Recess.

JOINT SUBMISSION BY THE ASSOCIATION OF CANADIAN ADVERTISERS INCORPORATED AND THE CANADIAN ASSOCIATION OF ADVERTISING AGENCIES

Appearances: Mr. Allan B. Yeates, Director of Public Relations and Advertising, The Prudential Insurance Company of America and President of Association of Canadian Advertisers Inc.

Mr. Warren Reynolds; President, Ronalds-Reynolds & Company, President, Canadian Association of Advertising Agencies.

MR. YEATES: Mr. Chairman, I should like to introduce several of our directors and members who are with us today. On my right, of course, is Mr. Reynolds.

Mr. W.P. Hayhurst, President, F.H. Hayhurst Company Limited; Past President, Canadian Association of Advertising Agencies. Mr. D.R. McRobie, President, Cockfield, Brown & Company Limited; First Vice-President, Canadian Association of Advertising Agencies. Mr. R.C. Baker, Vice-President, The Baker Advertising Agency Limited; Secretary-Treasurer, Canadian Association of Advertising Agencies. Mr. D.C. Linton, Media Director, MacLaren Advertising Company Limited; Member of Media Research and Standard Forms; Committee of Canadian Association of Advertising Agencies. Mr. Alan L. Bell, General Manager, Canadian Association of Advertising Agencies. Mr. R.R. McIntosh, Vice-President and Assistant General Manager of Marketing, General Foods Limited and Past-President, Association of Canadian Advertisers, Inc. Mr. R.B. Collett, Advertising Director, Lever Brothers Limited and Vice-President and Treasurer, Association of Canadian Advertisers, Inc. Mr. R.E. Oliver, Supervisor, Public Relations and Advertising, The Bank of Nova Scotia and Director, Association of

Canadian Advertisers, Inc. Mr. B.E. Legate, General Manager and Secretary, Association of Canadian Advertisers, Inc.

The two associations uniting to make this submission speak, in a very real sense, for the advertising business in Canada. The Association of Canadian Advertisers with a membership of 161 national advertisers is responsible for a major part of the dollars spent in national advertising. The Canadian Association of Advertising Agencies has 45 member agencies, which are together responsible for placing over 90% of Canada's national advertising.

The aims and objects of each association, together with a list of members, form Appendix I of this submission.

Over the years both the Association of Canadian Advertisers and the Canadian Association of Advertising Agencies have given extensive study to the problems inherent in the periodical publishing industry of Canada.

Association Directors have on invitation conferred with executives of both Canadian and foreign-owned publications in an effort to find solutions to the perplexing problems now being analyzed by this Commission. Similar meetings have been held with representatives of the Federal government.

In 1956 and 1958 the Association of Canadian Advertisers made representations to the government then in power in Ottawa stating its opposition to the tax imposed on the gross advertising revenues of Canadian

editions of foreign periodicals. The association's views were widely accepted and were, in fact, substantiated before the repeal of the tax in 1958.

In anticipation of today's submission the two associations recently conducted a confidential poll of their memberships to determine current attitudes toward the problems of the periodical publishing industry and toward certain actions that might be taken to remedy them.

The results, as perhaps might be expected from a membership covering such a wide variety of industries, corporations, products and services, were widely divergent. It was obvious that members of both associations had given a good deal of thought to the questionnaires. Their replies, however, indicated a considerable disparity of viewpoint throughout the advertising business.

This submission has been prepared to reflect the majority view of the members of both associations as recorded in this poll, and it makes a major recommendation for further exploration by the Royal Commission.

ADVERTISING AND THE PERIODICAL PRESS. Because the publications referred to in the terms of reference of the Royal Commission together represent an important medium of advertising, both associations are properly interested in their well-being.

Appendix II graphically charts the composition of Canadian advertising expenditures in 1956 and 1959. Over the four-year period the net advertising revenues

of Canadian periodicals rose 13.7 per cent. As a percentage of total advertising expenditures, periodical revenues declined slightly from 12.4% to 11.6%.

It is interesting to note the marked increase in the advertising revenues of Canada's broadcasting industry. During the same four-year period - a period of sharp acceleration in television facilities - the gross advertising revenues of radio stations climbed 35.3% from $49,759,000 to $67,300,000. Advertising expenditures for television increased 55.3% from $51,500,000 to an estimated $80,000,000. Preliminary estimates indicate a further growth in television advertising revenues of $10 million during 1960.

Obviously, the periodical publishing industry has weathered a period of sharp competition from other advertising media. We welcome the recent evolution of new bi-lingual consumer magazines, which may well place this medium in an improved competitive position.

The members of both ACA and CAAA are interested in the economic health of Canada's periodicals not just for the total circulations they represent. We are equally interested in the type and class of readers their editorial content attracts. Any consideration which is now affecting or may affect advertisers' ability to stimulate the movement of goods and services is obviously of real concern to both associations.

THE ECONOMIC ROLE OF ADVERTISING. Much has been written about advertising in recent years - some of it good...some of it bad. Many uninformed critics

tend to make advertising the whipping-boy for much of what they consider to be wrong with the free enterprise system.

Despite this, all commentators would seem to agree on one thing: advertising is a potent economic force. It is perhaps the most important single factor in stimulating the consumer spending sector of our national accounts. As such, it may well be the key to Canada's continuing economic prosperity.

One of Canada's leading industrialists has described advertising as "an indispensable marketing force...the genuine mainspring that keeps our economy, and the one to the south of us, alive, healthy and growing". Like other observers he regards advertising as one of the major factors responsible for the country's continued high level of prosperity since World War II.

There is little doubt that quantitative and qualitative improvements in advertising have been of major significance in keeping the national economy at a continuing high level of activity.

Appendix III shows estimated advertising expenditures in Canada since the war. In the 15-year period 1946-60, advertising expenditures have risen an average of some $35 million a year. The total increase amounted to $487 million, or 378%, as expenditures moved up from $128,852,000 in 1946 to an estimated $615,800,000 this year. During the period 1946-59, consumer spending levels rose 165% to $25,940,000,000 and Canada's Gross National Product climbed 192% to an

estimated $34,593,000,000.

Advertising's primary function, of course, is to stimulate the demand for products and services. It is essential in our present economy, where personal selling is obviously too expensive and burdensome to move the necessary volume of goods.

In his book, "People of Plenty", Professor David M. Potter of Yale University pointed out the particular value of advertising in the North American economy:

"Advertising is not badly needed in an economy of scarcity because total demand is usually equal to or in excess of total supply, and every producer can normally sell as much as he produces. It is when potential supply outstrips demand - that is, when abundance prevails - that advertising begins to fulfill a really essential economic function."

Advertising fulfills other important social and economic functions. It informs the public about new products and services...it catalyzes manufacturer interest in new product and package designs...it directs consumers to sale prices...it helps to eliminate unwanted seasonal sales fluctuations...it guarantees quality... and builds public images for corporations, large and small.

All of this advertising does at little or no cost to the consumer. In some few cases, advertising may actually add to the cost of goods advertised. In most cases, however, advertising helps to lower the

sales price by increasing sales and enabling the manufacturer - and thus the consumer to benefit from a lower unit cost of production.

THE CULTURAL ROLE OF ADVERTISING. Advertising plays a significant cultural role in Canada by underwriting part of the cost of many important means of communication. Without advertising revenue, our daily and weekly newspapers, our periodicals, business and farm papers, would not be able to continue in anything remotely resembling their present form.

In the case of broadcasting, our private radio and television stations are almost entirely dependent on advertising for revenue. Advertising revenue is also important to the Canadian Broadcasting Corporation. In its last fiscal year, the C.B.C. received $38,162,337 or 40.6% of its total operating costs from advertising to operate its network of radio and TV outlets from coast to coast.

Thus, advertising makes possible much of the printing or broadcasting of material important to the development of Canadian culture. At the same time, it provides a part of the funds necessary to the development of young Canadian authors, artists and performers.

Advertising's cultural role, and I emphasize this, is essentially a corollary one. Advertising can only perform its primary function of stimulating demand for merchandise and services if, in this matter, it remains impartial. Public taste, not advertising, must and does decide editorial content.

Advertisers and their agencies buy advertising space and time only on the basis of the most efficient purchase to suit their marketing needs. Many factors are taken into consideration, but basically advertising investments are determined by the medium's ability to deliver the right audience in size and composition, at reasonable cost.

Some uninformed critics of advertising have expressed the view that advertising has the power to dictate the editorial or programme policy of our major communications media. The absurdity of such a charge is apparent to anyone who has dealings with the editorial departments of newspapers, magazines or broadcasting stations. These departments are separate from the advertising departments and jealously guard their freedom from influence by advertisers. We believe that editorial independence is particularly high in Canada.

OPPOSITION TO THE MAGAZINE TAX. In regard to the "special but not exclusive consideration to be given to problems arising from competition with similar publications which are...edited outside of Canada...", both associations are already on record as having opposed the 20% tax on the gross advertising revenues of the Canadian editions of foreign publications which went into effect January 1st, 1957.

In a brief to the then Minister of Finance (Appendix IV) the Association of Canadian Advertisers expressed the belief that such a tax, besides being objectionable in principle, would not achieve the

objective of diverting advertising revenues to Canadian-owned magazines.

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In a submission made on Jan. 10, 1958 (Appendix IV), the association showed that its contention seemed to have been borne out by the facts. Canadian magazines had indeed suffered a greater loss of advertising revenue than the "foreign publications". As the Commission is aware, the tax was repealed.

The Association of Canadian Advertisers and the Canadian Association of Advertising Agencies are still opposed to taxes on advertising. We also believe that any re-imposition of a tax similar to the one introduced in 1957 would again fail to achieve the purpose of diverting advertising funds to Canadian-owned periodicals. It might, in fact, result in such an increase in advertising costs in the consumer magazine field as to divert advertising dollars from the medium itself.

SURVEY OF ASSOCIATION MEMBERSHIPS. Both associations are keenly aware of the problems that exist in the Canadian periodical publishing field. We are anxious to assist, insofar as we are able, your Commission in finding an acceptable solution.

As indicated earlier in this submission, a confidential poll of the membership of each association was taken in November, 1960. The results showed a considerable divergence of opinion both as to the gravity of the situation and as to the means which the Government might adopt to correct it.

There was, however, a large body of opinion in favour of distinguishing between magazines which,

even though importing editorial material, are printed, published and mailed in Canada - thereby both contributing to Canadian employment and accepting in some degree the responsibilities of citizenship - and publications which are printed and shipped into Canada from another country.

May we respectfully suggest, therefore, that the Commission explore the possibility of steps which would make it economically more desirable for publications accepting Canadian advertising - advertising, that is, which is addressed to the Canadian consumer - to print and publish in Canada.

Conclusion. In the hope that the information and suggestion contained in this submission may be of help to the Commission in finding an acceptable solution to an admittedly difficult problem, may we conclude by expressing the thanks of both associations for the opportunity you have given us to appear before you.

Respectfully submitted.

That concludes for the reading of the brief, Mr. Chairman. We didn't read any of the appendices; Appendix IV does contain quite a bit of text material, and I don't know whether you would care to have me read that into the record or not.

COMMISSIONER JOHNSTON: The Chairman and I are having a discussion on it. I want the appendices read.

THE CHAIRMAN: All of them?

COMMISSIONER JOHNSTON: The letter to Mr.

Harris in 1956 and the letter to Mr. Fleming in 1958. There are three of them altogether.

MR. YEATES: Yes, three altogether.

COMMISSIONER JOHNSTON: Perhaps we can discuss the letters.

THE CHAIRMAN: And you will file them for our records?

MR. YEATES: Indeed we will.

COMMISSIONER JOHNSTON: Mr. Reynolds, I hardly know your identification in the Toronto group. I believe you are head of the Reynolds advertising firm, or has there been a merger? Where does that leave you?

MR. REYNOLDS: As President of Reynolds Limited, and a partner in the advertising agency; the merger took place on September 1st.

COMMISSIONER JOHNSTON: Am I correct in assuming that you were born in Toronto?

MR. REYNOLDS: Correct.

COMMISSIONER JOHNSTON: A fate worse than death!

MR. REYNOLDS: Well, we have some strange interpretations of that.

COMMISSIONER JOHNSTON: Mr. Yeates, could you give me similar information about yourself?

MR. YEATES: Yes, Mr. Johnston; I am Director of Public Relations and Advertising for the main head office of the Prudential Insurance Company of America. I was born in Hamilton and I was educated at the University of Western Ontario in London, and I was with

the Toronto Star and Financial Post prior to this.

COMMISSIONER JOHNSTON: Now, I take it that you are both in favour of advertising?

MR. YEATES: Very definitely.

COMMISSIONER JOHNSTON: Well, I must say that I am also; I was in the newspaper business for twenty years.

There are two things that have been bothering me a little bit across the country, and one is the recurring charge that this Commission may have an anti-American bias, and the other - and the two are close together - is that we may be within the terms of reference opposed to advertising in certain publications. In the figures given in your brief - and I dealing now with the one with the pie - you give some figures on advertising and some other figures that indicate that Canadian publications are not getting their share of advertising, is that correct? That is, on a per capita basis Canadian publications are not getting as much as U.S. publications?

MR. YEATES: No, I don't believe that is correct, Mr. Johnston; in 1956 Canadian publications received a 2.1% of the total advertising dollars and American publications received 1.2%.

COMMISSIONER JOHNSTON: Will you repeat that statement again?

MR. YEATES: According to our figures in this chart, in 1959 Canadian publications received 2.1% and non-Canadian 1.2% of the total advertising dollars.

COMMISSIONER JOHNSTON: I am not really talking about that, I am talking about advertising that applies to Canadian subsidiaries of U.S. parent companies. Are we getting our share? I have some figures here on the subject, but at the moment I can't seem to find them.

And now, I notice some figures that came from the periodical press gave magazine expenditure from advertising in the U.S. and in Canada, and it is also observed that every one of those companies listed are members of the Association of Canadian Advertisers. And now, on a per capita basis and gross national product basis, I think these companies should be spending five per cent of their total appropriation in Canada in this market instead of on the average 1.9. I am talking about Proctor and Gamble, General Motors, General Foods, Ford, Chrysler, General Mills, and so forth, and the nearest approach to the five per cent is that of distillers' corporation, Seagrams. Now, have you any comment on that? Can we get more?

MR. YEATES: Can we get more?

COMMISSIONER JOHNSTON: Or could we get more?

MR. REYNOLDS: First of all, for clarification, we talk about share, Mr. Johnston, and if you are talking about share in reference to the difference between American and Canadian publications, then it requires a definition of share. What is the proper

share? If, however, you are dealing with advertising expenditures in Canada in ratio to gross national product, then this becomes the responsibility of the advertiser himself, and we in the advertising business, and certainly the agency business and the association represented by Mr. Yeates, feel that the wide differential that exists cannot continue to exist. We live in an economy of abundance, one that we have fought to maintain, and the rights of free enterprise. Our contention is that one of the inherent things in this is that a successful corporation shall have the right to stand within in its own judgement any fixed amount of the costs of distribution in advertising of the 1.9 which it states is too low for our economy. The great responsibility we have in the future is to make sure that all corporations, regardless of whether they are corporately owned in Canada or outside of Canada - shall maintain that rate, and that as they increase in ratio to gross national product, so they will increase the tempo of the economy.

MR. YEATES: Mr. Johnston, may I ask for some clarification. The 1.9 figure you quote is the amount of money spent by these certain advertisers in the Canadian periodicals represented by the Periodical Press Association of Canada.

COMMISSIONER JOHNSTON: We just read from this, "this is a summary of the 15 largest U.S. advertisers in all media who also sell in Canada. Source of data of the magazine expenditures of these companies in the U.S.A.

is the Publishers' Information Bureau; the source for Canada is Haines." They seem to come from authentic sources.

MR. YEATES: You are concerned about the disparity between the major advertisers as opposed to the relatively smaller magazines in the United States?

COMMISSIONER JOHNSTON: Yes.

MR. YEATES: I think I could answer that quite directly. Of the group of 15 leading American advertisers I believe 11 of the top U.S. ones do have Canadian operations, and I believe I can safely say the majority do not in any way take into effect the overflow circulation of U.S. magazines in making up a budget for the Canadian advertisers, and the majority of those, it is my belief, do take overflow circulation from U.S. magazines as being a bonus operation and they do not take it into effect in gauging their budgets for total advertising spending in Canada or the total magazines in Canada.

COMMISSIONER JOHNSTON: Well, Ford of Canada spends 2.1% of its total expenditure in the United States?

MR. YEATES: Yes.

COMMISSIONER JOHNSTON: Wouldn't it benefit greatly from overflow advertising in the Saturday Evening Post?

MR. YEATES: There certainly is a benefit to any company from overflow circulation in the United States, but at the same time it is of such an intangible nature that we feel very often psychologically it is

written-off; that it is very seldom taken into effect in any practicable way in the preparation of a budget for advertising.

COMMISSIONER JOHNSTON: Mr. Yeates, are you saying that seriously?

MR. YEATES: I am, sir.

COMMISSIONER JOHNSTON: All right. I can't believe myself when the Ford people make up their budget for Canada that they don't say, "Well, we get a lot of benefit from the U.S. overflow circulation."

MR. YEATES: I am quite sure that any company would wish, Mr. Johnston, that they did get benefit from the overflow circulation, but what I am saying is that the benefit is of such unusual quality that the majority don't take it into effect in their plan for Canadian advertising. There are a good many cases I know of where U.S. advertising can make it more difficult for a Canadian advertiser to do a marketing job which he is equipped to do in Canada and, for example, different products which may bring about - if a product is available in the U.S. and it is not on overflow circulation, this could very well have the effect of making it more difficult for the Canadian company, and there are some products I know of, for example, where the product name is held by the parent company in the United States, but the right to that name is not held by the same company in the States, so that advertising of that product on the U.S. side of the line becomes an embarrassment or a difficulty on the Canadian side.

COMMISSIONER JOHNSTON: Those things are rather unusual, though, are they not?

MR. YEATES: Yes, I would say they are in the minority.

COMMISSIONER JOHNSTON: Are we not getting into the area of the split-run? I was looking over a magazine the other day and I saw an advertisement for Studebaker, and I think that ad. could apply either on this side of the border or the other side, and I also noticed a little medallion which said "Fifty years in Canada", so it must be a split-run.

MR. YEATES: What magazine is that in?

COMMISSIONER JOHNSTON: I can't tell you, it is one of the ---

MR. YEATES: It was in an American magazine; not in the Canadian edition.

COMMISSIONER JOHNSTON: It is a magazine which I bought in Canada. I am finding it rather difficult with this questioning because of the fact that you people chose to make a joint brief. I had always had the idea that the Association of Canadian Advertisers existed for the purpose of watching the advertising agencies!

MR. YEATES: That is not all the purpose, Mr. Johnston.

COMMISSIONER JOHNSTON: So now the lion and the lamb are sitting beside each other?

MR. REYNOLDS: I don't want you to get the impression that we have to defend each other completely, but we do find in many areas that is so.

MR. YEATES: We have made submissions before on a joint basis to the Massey Commission and to the Fowler Commission.

COMMISSIONER JOHNSTON: They were not dealing exactly with the problem this Commission is trying to deal with.

MR. REYNOLDS: The problems in this one are much more acutely profound in the terms of reference.

COMMISSIONER JOHNSTON: All we can do is try to unscramble the egg that you scrambled.

MR. YEATES: In what way, Mr. Johnston?

COMMISSIONER JOHNSTON: Well, the interests of the advertising agency is now the same as the interests of the advertiser.

MR. YEATES: It essentially is.

COMMISSIONER JOHNSTON: Always?

MR. YEATES: I hope so.

COMMISSIONER JOHNSTON: I have in front of me here an advertisement that appeared in Time of November 28, and I suppose that you people subscribe, or most of your clients do, to the "Buy Canadian"?

MR. REYNOLDS: Are you addressing the question to me?

COMMISSIONER JOHNSTON: I don't know; both of you, I guess. Perhaps we could straighten this out first; who is the client of an advertising agency?

MR. REYNOLDS: The client is the product or the service or the corporation requesting the product or service ---

COMMISSIONER JOHNSTON: You misunderstood me. Who do you represent as an advertising agency?

MR. REYNOLDS: The client.

COMMISSIONER JOHNSTON: Who is the client?

MR. REYNOLDS: I am searching for the left field approach in this question, Mr. Johnston, with respect. The client will be the manufacturer or the bank providing the service who appoints the agency to serve it. We consider that we are agents; I think that is the principle of the advertising agency.

COMMISIONER JOHNSTON: And the Ford Motor Company has an advertising agency, and the agency views the Ford Motor Company as the client; is that correct?

MR. REYNOLDS: I don't quite follow your terms of reference when you say it uses the agency. It employs the services of the agency.

COMMISSIONER JOHNSTON: Who pays the agency?

MR. REYNOLDS: The agency is paid by this client, and in turn ---

COMMISSIONER JOHNSTON: It is all done by -- the agent pays the newspaper, but the advertising agent gets its revenue in the form of a discount on the advertising rate?

MR. REYNOLDS: That is quite right, yes.

COMMISSIONER JOHNSTON: So, we have a same situation -- and I don't know whether it exists anywhere else in business -- of the agent getting his money from someone who is not his client.

MR. YEATES: I should point out that he receives a large part of his money from someone who is not his client, but a portion of revenues of any advertising agency very often comes from the payments of fees for specific services by the client.

COMMISSIONER JOHNSTON: If you engage a writer to produce something, in your case on the insurance business, who pays the writer?

MR. YEATES: I do, sir.

COMMISSIONER JOHNSTON: Does the writer pay the agency 15 per cent?

MR. YEATES: The agency has nothing to do in that case with the writing of the article.

COMMISSIONER JOHNSTON: Here we are at the scrambled egg again. I was directing that question to the agency. If Reynolds Advertising Company hires a writer at, say, $500.00 to prepare an article, would the writer of that article get $500.00 or would he get $500.00 less 15%?

MR. REYNOLDS: He would get $500.00.

COMMISSIONER JOHNSTON: In your case?

MR. REYNOLDS: I would suggest in the case of most agencies in Canada, yes.

COMMISSIONER JOHNSTON: That is not my information. In the matter of engravings ---

MR. REYNOLDS: Well, of course, excuse me for interrupting but, you say, it is not your information: If you are basing your judgment on a hypothetical case which is not representative of the normal way such a transaction is done, then I can understand your conclusion.

COMMISSIONER JOHNSTON: Well, I am accepting your word for it that the man would get $500.00.

MR. REYNOLDS: I will say this, that not all advertising agency revenue comes from the commission earnings of franchised agencies. There are many cases of fees arranged between the agency and its client for extenuating services, and this would be one. In my case, if I were commissioned by a client to negotiate with a number of writers to do a specific job, I would expect to be compensated for it. What the nature of that compensation

would be in amount is difficult to state at this time, as you understand.

COMMISSIONER JOHNSTON: Let us go to the business of discounts allowed by engraving companies: Am I right in saying it runs from 35 to 40 per cent?

MR. REYNOLDS: I would hardly be in a position to pass judgment on this. I would be pleased to meet with you after the hearing and find out where it is possible to get 35 per cent.

COMMISSIONER JOHNSTON: Has there been a change in the custom in recent years -- the matter of the 35 per cent from the engravers?

MR. REYNOLDS: Well, I am not aware of 35 per cent. The standard rate of commission from engravers is fifteen.

COMMISSIONER JOHNSTON: That is the standard rate?

MR. REYNOLDS: Yes, and I am not aware of any departure from this.

COMMISSIONER JOHNSTON: There are not two price lists from engravers -- that is, one for agencies and one for, say, myself?

MR. REYNOLDS: I have never been in a position of buying in the same terms of reference you suggest apply to yourself. It would be difficult for me to answer that question.

COMMISSIONER JOHNSTON: Again talking about the agencies, are you people interested in promoting the interests of Canada, or does the merchandising interest of

the client come ahead?

MR. REYNOLDS: I think I can speak very directly to that: The association that I am representing today is composed of 45 members, and I very much doubt that you would find among them any who conducted his business on a basis that would be detrimental to the welfare of Canada.

COMMISSIONER JOHNSTON: Well, that is reassuring. In your brief somewhere it says that the agency or the -- and here comes the egg again -- the agency or the advertiser buys in the market that he thinks is the most efficient, and you have agreed, I think, that Time and Reader's Digest are not Canadian publications; is that correct -- or am I getting the briefs mixed up?

MR. YEATES: I think you are, sir. I don't believe we specified that at all.

COMMISSIONER JOHNSTON: In your own brief, though, you refer to Time and Reader's Digest as non-Canadian publications?

MR. YEATES: Oh, yes.

COMMISSIONER JOHNSTON: Now, you know of the problem of Canadian publications: That problem has been largely created, in its modern aspect anyway, by a great deal of revenue these two publications take from the Canadian advertising pie -- the large segment. You also have in most of your agencies a public relations department. Would you say that, other thing being equal, spending the Canadian advertiser's money in foreign magazines is good business or good Canadianism?

MR. REYNOLDS: Well, Mr Johnston, as specifically stated in our brief, our motivation is to move the consumer's product, and very often it is necessary in order to do so to buy space in foreign publications, but in a different context than what you refer to, because the growth of the Canadian economy is more and more dependent on the ability to sell in markets other than in markets confined by the borders of this country. Therefore, progressive Canadian advertising agencies are, themselves, all more frequently becoming affiliated with others outside of Canada -- with agencies outside Canada who understand the foreign markets. For example, we have a very substantial opportunity to develop Canadian industry by selling in the common market countries of Europe and the activities being undertaken in Ottawa now by the Department of Trade and Commerce are the direct application of good, sound sales management which will necessitate the buying of space in foreign publications outside of Canada.

COMMISSIONER JOHNSTON: I am talking of Time and Reader's Digest. The so-called Canadian edition of Time does not go outside of Canada, does it? If it does not go outside of Canada how is advertising in that publication going to promote Canadian industry?

MR. REYNOLDS: Now that you have named them, you are describing the Canadian issue of Time and the Canadian issue of Reader's Digest, and its French counterpart, Selection as foreign publications.

COMMISSIONER JOHNSTON: You do. You say "non-Canadian" in your brief.

MR. REYNOLDS: In the terms of your question, if I may beg to differ, you asked me before naming them would we use foreign publications, and then you have described them as Time and Reader's Digest, and we accept that as definition by you. As to their use for a product or service to maintain a proper share of the market or improve its share of the market in Canada it must use efficient means of communication in order to reach that market, and if Time and Reader's Digest are permitted to conduct business in this country whereby they earn for themselves a substantial audience in Canada, then we have not only an economic motivation, but a full obligation to our clients to use that media, if it is efficient in order to tell that story properly.

MR. YEATES: I think, if I may add, we have said in the brief, and I reiterate, it is our primary goal to maximize the flow of goods and services. Our corollary goals only are the contribution made to the cultural aspects of the economy, and when you look at corollary goals I would think the corollary goal of increasing the economic pace of the country, which advertising does do, is probably equally of importance to the cultural role of providing sustenance for magazines and other media.

COMMISSIONER JOHNSTON: Are you contending there is no substitute for Time and Reader's Digest for the Canadian advertiser?

MR. REYNOLDS: If we were going to make any contention on these grounds at all, it would be that there is a substitute for any publication that is in existence

in Canada.

COMMISSIONER JOHNSTON: That there is?

MR. REYNOLDS: There is, yes. If there were not, there would not be progress.

COMMISSIONER JOHNSTON: If there were not ---

MR. REYNOLDS: There would not be progress, because the inherent right of enterprise -- and with respect, I am not taking myself too seriously, Mr Chairman -- in the inherent rights there is always room for improvement for those who have the initiative to enervate and improve.

---Luncheon Adjournment.

M*hm

---On resuming at 2:30 o'clock.

THE CHAIRMAN: Mr Johnston will continue his questions.

COMMISSIONER JOHNSTON: Mr Reynolds, before lunch we were discussing or getting around to discussing why does the agency prefer putting the client's money into the biggest publications?

MR. REYNOLDS: I am sorry, why?

COMMISSIONER JOHNSTON: Why the agencies prefer to have their clients advertise in the biggest publications.

MR. REYNOLDS: I do not recall the question being asked why they put it in the biggest publications but I can answer you by saying we are not interested in a publication by bigness because bigness is not goodness. Our sole motivation is to use the client's dollars with the greatest degree of efficiency.

COMMISSIONER JOHNSTON: Regardless of the public relations aspects?

MR. REYNOLDS: No, the public relation aspect is a factor and an adverse public relations attitude can have a dollar deficiency, in a remote sense, admittedly.

COMMISSIONER JOHNSTON: Is it not a fact that the small publications have great difficulty getting advertising through the agencies?

MR. REYNOLDS: If you mean small by the size of their circulation and audience it would quite probably be a corollary with the smallness, the cost of reaching that

audience through that publication being more expensive and it could be a problem for the smaller publications.

COMMISSIONER JOHNSTON: I favour to some extent the weekly newspapers of Canada having being brought up on one and there is still one in my family. If you had a million-dollar account and had the choice of where you would put it, where would you put it?

MR. REYNOLDS: We would never start from that base. There are many factors that contribute to the decision with regard to the allocation of funds for media use.

COMMISSIONER JOHNSTON: Who makes the decision?

MR. REYNOLDS: The decision is made and that is the reason we are here today, it is indicative of the reason why Mr Yeates and I are both appearing before you in that the agency and the client act where the relationship is adequate, in complete harmony with each other. I have known cases, if I may speak personally about our agency, where a client has voluntarily, principles from the client organization have volunteered at a meeting with both agency and client personnel present and, it would be difficult to distinguish who was on which side.

COMMISSIONER JOHNSTON: Is there anyone in this room who was the agent for Dominion Foundries and Steel?

MR. REYNOLDS: Not to my knowledge. Do you know who the agent is?

COMMISSIONER JOHNSTON: I do not know. I ask questions to get answers. Well, that company apparently believes in the "Made in Canada" campaign and yet Time on

November 28 publishes one of their advertisements and down in the corner it says "Ask before you buy is it made in Canada". Now, should not the agency have asked or the client; Made in Canada advertisement published in Time which I think we have all agreed is not a Canadian publication or do you disagree?

MR. YEATES: If I might take that one. I do not believe I can answer for Dominion Foundries and Steel Corporation.

COMMISSIONER JOHNSTON: All right. Are they a member of your association?

MR. YEATES: No, they are not.

COMMISSIONER JOHNSTON: Who dominates your association, Canadian or American advertisers?

MR. YEATES: The Association of Canadian Advertisers?

COMMISSIONER JOHNSTON: Yes?

MR. YEATES: I do not agree there is any domination. I can give you the break-down of membership; 161 members of which 103 are foreign controlled, either U.K. or U.S. and 58 Canadian.

COMMISSIONER JOHNSTON: How many U.K. and how many U.S.?

MR. YEATES: I do not have a break-down of that but the number of U.K. would be relatively small, something less than 10 I would think.

COMMISSIONER JOHNSTON: Would you count Shell as U.S. or British?

MR. YEATES: I believe its head office is the

U.K.

COMMISSIONER JOHNSTON: Will you supply that information to the Commission as soon as possible?

MR. YEATES: Yes sir. How would you like it broken down?

COMMISSIONER JOHNSTON: Canadian, U.S., British and insofar as figures are obtainable and I think they are obtainable, the amount of advertising that each spends, the amount of advertising money spent.

MR. REYNOLDS: In Canada?

COMMISSIONER JOHNSTON: In Canada.

MR. REYNOLDS: I cannot do that. We do not get the total of these figures from our members, we get figures up to $900,000.00 maximum.

COMMISSIONER JOHNSTON: Well, where then does Marketing, where do they get that information?

MR. YEATES: Which information?

COMMISSIONER JOHNSTON: As to the amount of money spent.

MR. YEATES: I do not know that they do, I have never seen it by companies in Canada.

COMMISSIONER JOHNSTON: Well, we can ask them when they come up again.

MR. YEATES: They may voluntarily report from time to time but I have never seen it.

COMMISSIONER JOHNSTON: Now, you mentioned here a questionnaire. Should not that questionnaire have been included in your appendices?

MR. REYNOLDS: No.

COMMISSIONER JOHNSTON: Why not?

MR. REYNOLDS: The questionnaire was submitted to the membership as a searching document to find out the position of the members of the association and was done on the basis that we would keep the replies to the questionnaire as anonymous.

COMMISSIONER JOHNSTON: It is not pertinent to this enquiry to know to what extent you are divided?

MR. REYNOLDS: Yes, it is probably quite pertinent, sir.

COMMISSIONER JOHNSTON: I am not going to press that at the moment but I would point out to you that when the law is passed in Parliament the public can find out what the minority opinion is through reading the speeches in Hansard. I should we should have had all the information and not merely part of it.

MR. YEATES: On that point we are prepared, because of the confidential way in which this was taken of our members in order to get full disclosure from it, we are prepared if you so desire to table with this commission a summary of the statistical results and general comments anonymously of the members providing it is kept on a confidential, not for publication basis.

COMMISSIONER JOHNSTON: We do not accept anything on a confidential basis. Let us go on to the next. Coming back to the membership of the A.C.A. I suggest that in view of the domination or predominance of the U.S. members the name is not very descriptive and that it might better be called the Association of Advertisers advertising in

Canada. That is a little more awkward but a little more accurate.

MR. YEATES: I would disagree with that. We believe that advertisers advertising in Canada as Canadian subsidiaries of U.S. or U.K. operations are doing the same job as any other corporation.

COMMISSIONER JOHNSTON: Well, I will not press that question either for the moment. Now where is the qualification for membership in the Canadian Association of Advertising Agencies -- this is the other half of the presentation.

MR. REYNOLDS: A fully organized agency doing business in Canada adequately departmentalized and qualifying for franchise in this country.

COMMISSIONER JOHNSTON: You say "adequately departmentalized"?

MR. REYNOLDS: Yes, sir.

COMMISSIONER JOHNSTON: What do you mean by that?

MR. REYNOLDS: Well, the ramifications are responsibility in the advertising agency business in this country has grown immeasurably particularly since the war. It is now necessary for an agency to, in many cases, supply to its clients much more than just basic creative requirements or writing and art. I am not minimizing the importance of creative aspects at all, it more important than ever but with the increased competitive nature of our enconomy it is necessary that all the ramifications of marketing should be adequately understood by a well-functioning agency. This involves research in depth media,

the types of media, the mood of the reader and so on. It requires research into the basic concomitant of the people and their attitudes towards products both by brand and commodity. It requires the depth of the market, a compositon of the markets and the ways in which to reach those markets. It entails a detailed knowledge of methods of distribution and a changing pattern in methods of distribution and the number of others. Such departments in an agency must be adequately organized with men of capacity who can bring both an academic standard and frequently an experience standard in considering these problems even before the creative medium begins to work. This is a proper function of a departmentalized agency in that its client can co-operate and unless such agencies are so constitute they do not qualify for membership in our association.

COMMISSIONER JOHNSTON: Who decides the adequacy of an agency before you take him in as a member?

MR. REYNOLDS: The application is considered by the Board of Directors of the association and then voted on by the entire membership.

COMMISSIONER JOHNSTON: Have you a constitution?

MR. REYNOLDS: We do.

COMMISSIONER JOHNSTON: Will you file that with the secretary?

MR. REYNOLDS: Yes, I will.

COMMISSIONER JOHNSTON: Send it to Mr. Pitfield care of the Park Plaza Hotel not later than tomorrow.

MR. REYNOLDS: It will be there.

COMMISSIONER JOHNSTON: And the Association of Canadian Advertisers also?

MR. YEATES: It will be there.

COMMISSIONER JOHNSTON: Now, in your paragraph number 15 you say advertising is a potent economic force. It is a force all right. You say it is perhaps the most important stimulating factor in stimulating consumer spending sector of our national accounts. Do you not think reduction in the corporation tax would do more good?

MR. YEATES: Are you asking me?

COMMISSIONER JOHNSTON: Both of you.

MR.YEATES: Well, I cannot give you an honest answer on a thing like that. We are scrambling eggs here.

MR. REYNOLDS: Mr. Johnston, could you define more clearly for us because Mr. Yeates and I are just a couple of country boys trying to make an honest living and we do not understand some of these relationships. How can you bring corporation tax and the force of advertising into a comparable postion?

COMMISSIONER JOHNSTON: By your own brief. Do not try to get me off the question. You say here that this is a potent economic force and then you say as such it may well be the key to Canada's continuing prosperity. I am asking you if you consider other factors?

MR. REYNOLDS: Yes.

MR. YEATES: Yes sir, we do.

MR. REYNOLDS: I might say the tax that you refer to would possibly be non-existent in due course if

there were not advertising or marketing to make it possible.

COMMISSIONER JOHNSTON: If we all went out of business they would not get any facts?

MR. REYNOLDS: You have answered your own question.

COMMISSIONER JOHNSTON: The next one:

"!..the genuine mainspring that keeps our "economy, and the one to the south of us, alive, "healthy and growing'".

That is a pretty broad statement. You believe that, do you? Well, I do not go all the way with you.

Then, paragraph 17:

"There is little doubt that quantitative and "qualitative improvements in advertising have "been of major significance in keeping the "national economy at a continuing high level "of activity".

Just who takes the blame for unemployment if you people have been advertising and keeping up business should you not take the blame for unemployment? I am sure Mr. Diefenbaker would be glad to hear you are taking it, if you are.

MR. YEATES: Well, Mr. Johnston, I think one of the factors here that is important is the consumers' spending on our national accounts has been the most resilient of all the factors in our total economic picture. That is, for instance, the economic forecast of our company which was released just yesterday, shows that in their

expectation for the United States -- unfortunately, our Canadian forecast is not ready because of the lateness of the D.B.S. figures -- the growth of consumers spending of $9,000,000.00 will account for a total of $12,000,000.00 increase expected in gross national product in the United States. Therefore, it is our feeling that advertising has been an important factor in keeping this consumers spending sector at a high level.

COMMISSIONER JOHNSTON: You are so young looking, Mr. Yeates, you probably do not remember the great depression but did advertising keep consumer spending up then?

MR. YEATES: No, it did not. Consumer spending during the depression was not nearly as resilient as it is now and it was much less developed than it is today.

COMMISSIONER JOHNSTON: Actually to some extent I quarrel with this brief the way I quarrel with the advertising and sales club brief in Montreal the other day. You overstate your case in general that advertising is a very important thing and, as I said this morning, certainly I knew who paid my wages when I worked on newspapers. Now, I would like to go to one other thing. I am going back to that matter of your acceptance of advertising from various types of printed media. I recall, and this is a matter of personal knowledge to me, that when the paper I worked on wanted some advertising they had to go over the agency's head. Is that true today?

MR. YEATES: The newspaper, you mean, had to go

beyond the advertising agency to the client? I have never heard of it.

COMMISSIONER JOHNSTON: Never heard of it?

MR. YEATES: No.

COMMISSIONER JOHNSTON: Where have you been?

MR. YEATES: I have been right here.

COMMISSIONER JOHNSTON: Would you surprised to know what the paper was?

MR. YEATES: I would like to know.

COMMISSIONER JOHNSTON: It was the Financial Post and it was the most important financial paper when I worked on it and it has got bigger since.

MR. YEATES: It was when I worked on it too.

COMMISSIONER JOHNSTON: Why do newspapers and other publications maintain publishers representatives if you people are being impartial in placing these?

MR. REYNOLDS: Because periodical representatives are an asset to the agencies in their direct contact with publishers in regard to many factors relative to the concept of the publishers' way of doing business either regionally or otherwise and the depositing of research qualifications into selection of the media.

COMMISSIONER JOHNSTON: What I can't understand is your preference for Time and Reader's Digest.

MR. REYNOLDS: Would you explain to us what you mean by "preference for"?

COMMISSIONER JOHNSTON: This brief if it is anything is a brief advocating the continuance of Time and

Reader's Digest and I just thought if the advertising agencies did not have these two magazines they would not get as much advertising as they do such as from Dominion Foundries and Steel.

MR. REYNOLDS: Such is definitely not the case. As I stated earlier we have one sole motivation and that is to move our clients' services or goods in increasing amounts with the selection of a media, so long as we discharge our responsibilities adequately, a media that will reach an audience with the greatest efficiency. When you say we show a preference for Time and Reader's Digest it is only in direct proportion in which they are useful for that purpose. By inference you suggest or at least our interpretation of it is, and I hope that we are wrong, that we have a preference for Time and Reader's Digest to the detriment of indigenous Canadian publishers. Such is not the case and never has been the case. The Maclean-Hunter Publishing Company has made a great contribution to the economic welfare of Canada and we would not by any inference or directly endeavour to impugn what they have done.

COMMISSIONER JOHNSTON: We don't want a speech; just an answer to the question.

MR. REYNOLDS: Very good.

COMMISSIONER JOHNSTON: What it is that you make the most money on, the agency?

MR. REYNOLDS: What it is?

COMMISSIONER JOHNSTON: What media; how much money did the agency make out of this full ad. of the Dominion Foundries?

MR. REYNOLDS: Fifteen per cent under the cost of that space.

COMMISSIONER JOHNSTON: This 52 weeks would pay them quite a lot of money?

MR. REYNOLDS: I have no knowledge; they wouldn't have to use it for 52 weeks, but on that basis, yes.

COMMISSIONER JOHNSTON: And the agency in this case only had to issue one cheque for a very large amount of money once a month?

MR. REYNOLDS: Once a month.

COMMISSIONER JOHNSTON: $22,000 roughly, I think it is. $2,000 spent in small papers would add considerably, materially to the agency's overhead?

MR. REYNOLDS: You are making a statement?

COMMISSIONER JOHNSTON: I am asking you.

MR. REYNOLDS: With 700, roughly, weekly newspapers in Canada we have a difficult service to perform, and it is quite natural that the administrative costs which are involved are mechanically more work than

the purchase of one page in a magazine, but this is a false premise if on this basis you are suggesting that the agency makes its money entirely on mechanical operation; the agency's function is to provide council for its clients to ensure that those clients conduct their business in a way which will earn a greater share of the market.

MR. YEATES: On this point, advertisers have a very lot to say in where placements of ads. are made, and I don't know of one yet who has ever decided that the profitability of his agency is more important to him than the place where he can put his ad.

COMMISSIONER JOHNSTON: Does the advertiser always decide?

MR. YEATES: The advertiser always decide?

COMMISSIONER JOHNSTON: Did this advertiser decide he would put in Time the statement that "ask before you buy"; is it made in Canada?

MR. YEATES: It was never done without the advertiser's approval.

COMMISSIONER JOHNSTON: Tacit or actual?

MR. YEATES: Well, he certainly, in my opinion, wouldn't be looking after his interests if he didn't do it with full knowledge.

MR. REYNOLDS: You say actual; this normally occurs when it is designed by the client.

COMMISSIONER JOHNSTON: But this ad. says it is made in Canada; surely the agency ---

MR. YEATES: That ad. is presumably here

because the audience of that company - this was delivered to him by Time Magazine, whether it is in total size or the composition of it or the type of person.

THE CHAIRMAN: Gentlemen, I want to ask you first before I forget it ---

MR. REYNOLDS: Can I go back and refer to an earlier statement made by Mr. Johnston, if he is through.

THE CHAIRMAN: Well, he is not finished, he is just taking a recess. Before I forget, I want to ask you about some letters which were admitted into the record this morning, and I have been thinking about them since. You have here in this brief five or six letters which you addressed to the Honourable Walter Harris over the years 1956, 1957 and 1958. I am familiar with those letters because they are confidential, and that is what worries me; they are from the government confidential file in Ottawa.

Now, did you get Mr. Walter Harris' permission to use those, to file those letters?

MR. YEATES: I got three letters from Mr. Harris, I believe.

THE CHAIRMAN: Did you have his permission to file them in this brief?

MR. YEATES: No, I didn't.

THE CHAIRMAN: You didn't?

MR. YEATES: No.

THE CHAIRMAN: And it didn't occur to you to file his replies? There were replies; there certainly were acknowledgements, I saw them.

MR. YEATES: Yes, there were.

THE CHAIRMAN: At all events, you didn't ask him for permission to file them?

MR. YEATES: No we didn't; perhaps we should have.

THE CHAIRMAN: I think so.

MR. YEATES: One was published.

THE CHAIRMAN: I am not concerned with Mr. Dunning, I am concerned with these particular letters here that you have filed with us, and were addressed by you to Mr. Harris over those years, and as I recall those letters - I have seen them on the confidential file, and they were personal and confidential, and now you tell me you didn't get his permission to use them but, what is more, there is no acknowledgement by Mr. Harris or no reply by Mr. Harris to any of the letters.

I am not so sure, in any event, whether we should admit them to our records at all. Would you see when you go back to your office if there are replies to these letters?

MR. YEATES: Yes, and I can file them with you. I know after the original letter of April 3, 1956, our Committee went to Ottawa at Mr. Harris' request and spent some time.

THE CHAIRMAN: I know all about that. I have read those files.

And now, I would like to come back to this other question. In the opening sentence of your brief you say that you, "speak in a very real sense, for the

advertising business in Canada". And now, I don't know what you mean by the "real sense", and you go on towards the conclusion of your brief to say, "As indicated earlier in this submission, a confidential poll of the membership of each association was taken in November, 1960." And then there is this rather significant paragraph, "The results showed a considerable divergence of opinion both as to the gravity of the situation and as to the means which the Government might adopt to correct it."

As Mr. Johnston mentioned to you, I really think that if there is a considerable divergence of opinion among you gentlemen as to the gravity of the situation or the means to be taken to cure the situation which may or may not be grave, then I submit that this Commission must have this other information. Have you got that? Have you working papers? You must have some working papers on a situation like this?

MR. YEATES: Of course we do, and as I said before, we are prepared to submit copies of both the statistical summary and of the general comments in confidence.

THE CHAIRMAN: My dear sir, as one of the participants we sent you a brief early in our existence pointing out to you that we included no evidence in confidence. We want the evidence, and I am sorry to have to tell you that we will have to get the evidence, and we have the power to get the evidence, as you know. If you have read it you will know that we are set up,

under the Inquiries Act, with power to subpoena witnesses and get evidence.

Now, this doesn't mean - and we pointed this out to you in our letter to you - this doesn't mean that we will start broadcasting it, but we do want such evidence to help us in coming to the right conclusion. I will read this to get it on the record again:

"The attention of participants is drawn to the fact that this Committee will not receive information on a confidential basis. In this Commission the Chairman has ruled as follows: 'We are required under our terms of reference and the Inquiries Act to inquire into and report upon certain matters; to accomplish this purpose we are invested with certain powers for obtaining evidence; these powers we should use reasonably and in such a manner as to avoid unnecessary disclosure of private business information, but we must use such powers nevertheless in such a manner as to enable us to carry out our function properly. We cannot, therefore, tie our hands in advance by making commitments not to disclose the particular evidence because disclosure of such evidence might turn out to be essential to the purpose of making the inquiry or the report.'"

We sent you a copy of this, sir, way back in October.

MR. YEATES: I remember well.

THE CHAIRMAN: Well, we have to ask you to provide us with your working papers, with whatever you have, revealing to us just what this considerable

divergence of opinion was.

MR. YEATES: Mr. O'Leary, if I may just speak on that for a moment. We were aware of that at the time that we wrote the brief, and we also were aware we needed to get unanimity for our brief, and that is why in that paragraph we said that the statement has been prepared to reflect the majority group; the view which was the majority view of all members.

Now, if it is the desire of this Commission to have us put this forward immediately, may I consult with my colleague for a moment?

THE CHAIRMAN: Yes, indeed.

MR. REYNOLDS: Mr. Chairman, this was the matter that I referred to a moment ago that has been placed before Mr. Johnston. I have before me a letter on the letterhead of the Royal Commission requesting information on advertising agencies, and I would like your permission to read this letter, and if the same terms that would apply to us in our submission as are contained in this letter...

Mr. Chairman, I would be pleased to work this out with the Secretary if you are satisfied.

THE CHAIRMAN: I think that can be worked out. The reason I am asking about it is that I am very touchy about misquoting information.

The arrangement is that you will settle with Mr. Pitfield the techniques for the disclosure of this information?

MR. YEATES: Yes.

THE CHAIRMAN: I would like to refer for a moment - I think that Mr. Johnston will soon have his breath again - to this matter of the overflow advertising. I think that this morning you said, sir, it was intangible and hard to determine just what it meant; what it meant to a Canadian company in Canada to have a similar type of goods advertised in the United States. I believe this was disclosed.

MR. YEATES: I said that it was treated as an intangible.

THE CHAIRMAN: How would you explain this; these figures which I will give you now come from Elliott Haines of the Proctor and Gamble Company, and this is the company that Mr. Williams talked to us about.

MR. YEATES: Yes.

THE CHAIRMAN: Well, last year Proctor and Gamble spent $3,566,000 in the United States in magazines, and $25,320 in Canada, or .7%.

MR. YEATES: Could I have that second figure again, please?

THE CHAIRMAN: $25,320 in Canada as against $3,566,000 in the United States, or in Canada .7%.

General Motors, including Frigidaire spent $29,000,000 in United States magazines and $628,000 in Canada, or 2.1%.

Lever Brothers spent roughly $3,000,000 in United States magazines and only $59,000 in Canada, or 2%.

General Foods Corporation - now, these gentlemen are represented here today, I understand.

MR. YEATES: Yes.

THE CHAIRMAN: General Foods Corporation spent $10,000,000 in United States magazines and $218,000 in Canada.

The Ford Motor Company, $10,000,000 as against $225,000 in Canada.

Chrysler Corporation, $12,000,000 as against $150,000 in Canada, and so on down the list.

Now, why did this happen? If you take the 15 companies here you find that they spent in magazines in the United States $126,000,000 and only $2,379,000 in Canada. Would the explanation of that be that these big advertisers in these American magazines with their overflow in Canada thought they were covering the Canadian market sufficiently without bothering with Canadian magazines to any extent.

MR. YEATES: Before answering, may I seek one clarification; you said, for example, that General Foods spent $10,000,000 in the United States and $218,000 in Canada, those were your estimates. Did you mean, Mr. O'Leary, that the $218,000 Canadian-owned publications or any magazines operating in Canada?

THE CHAIRMAN: Any Canadian magazines; the figures show Canadian magazines.

MR. YEATES: That would include Reader's Digest and Time?

THE CHAIRMAN: Not necessarily, but I don't

know. Those figures do not show that here. I would think not.

MR. YEATES: You would think not?

THE CHAIRMAN: No. It is from the Publishers' Information Bureau of United States. The source for United States is Publishers' Information Bureau, and the source for Canada is Elliott Haines.

MR. YEATES: And was that prepared ---

THE CHAIRMAN: It speaks for all of Canadian magazines, and I am advised that this includes all Canadian periodicals.

MR. YEATES: All Canadian periodicals. All periodicals operating in Canada?

THE CHAIRMAN: All periodicals in Canada including Time and Reader's Digest. Now, is my deduction reasonable?

MR. YEATES: No - well, I shouldn't say no; what I said before I will stand behind again; the major advertisers in this country who you are talking about do not consider overflow circulation as being the reason why they spend less advertising in magazines in Canada. However, I do believe it reflects to a considerable degree the relative strength of the total itself.

THE CHAIRMAN: Have you any documentary evidence on that? Why do you believe it?

MR. YEATES: I believe it because I talked to four of the companies involved during the last week following the Price Association brief in which the statement was made in connection with the 15 leading advertisers in

the United States. I had checked with four of these people to ask whether this was true, that overflow circulation would have any bearing on it, and all four which we were able to rate said it had no bearing, and Mr. R.R. MacIntosh the Vice President of General Foods is here today and perhaps you'd like to question him on it.

THE CHAIRMAN: Maybe we shall. And now, let us take the Saturday Evening Post; their circulation in Canada is 108,000 - it is more than that. Now, what is the Life circulation in Canada, or any of the big magazines? I can tell you that Proctor and Gamble are advertising cosmetics precisely the same in the United States as they are in Canada, and which sells in retail stores in both countries. Now, if the Proctor and Gamble Company advertises in, say, the Saturday Evening Post or Look or Life, or any of those popular or slick magazines, and if they secured four or 500,000 circulation in Canada for these particular cosmetics, wouldn't this influence their net advertising of the same product in a Canadian magazine?

MR. REYNOLDS: Not necessarily so although the logic of the thing ---

THE CHAIRMAN: What do you mean by "necessarily so"?

MR. REYNOLDS: Not so.

THE CHAIRMAN: That is the difference.

MR. REYNOLDS: The answer is this as I understand it, Mr. Chairman; that it is not the fault of the

media in Canada in this particular case, because you are dealing here with Proctor and Gamble.

THE CHAIRMAN: I just took that as an example, but there are 12 companies here.

MR. REYNOLDS: Is the Secretary looking for the circulation in Canada?

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THE CHAIRMAN: Take Saturday Evening Post and Life and Look and Ladie's Home Journal, which is very large in Canada, and McCall's and, adding them together, you are getting a million circulation.

MR. REYNOLDS: That is quite possible.

THE CHAIRMAN: Surely, it is reasonable to assume that if these people advertising a cosmetic or any general product which is sold in the same retail outlets in Canada as in the United States -- a standard product -- if they think in these magazines -- this million overflow into Canada -- isn't it reasonable to assume they think this is sufficient coverage for the Canadian market and, therefore, there is no need for them to advertise in Macleans or Chatelaine?

MR. REYNOLDS: We run into cases like this, Mr. Chairman. It is one of the things we have to contend with in the business because south of the border parent offices of large corporations do have people who feel this way, but it would be ridiculous to assume that the overflow circulation of a similar brand name in Canada was valueless. There is obviously identity of the product and identity of the package, with the tremendous rise we have in supermarket distribution where package identity is the important thing. Overflow circulation of this kind is valuable. To negate it would be foolish. But then, to say an overflow circulation of American magazines of this kind avoids the necessity of using magazines in Canada would be a great mistake because

other than the brand identity we find two things: first of all, that the deal has been offered in the United States, the price is quoted in the United States, the regional factors contained in the advertising in the United States due to differentiation in climate, and so on, are not always pertinent to the Canadian market. I can't cite the research, although I believe it was done at the behest of the Maclean publishing company, and a study was done a while ago on the extent to which the reader's mind tunes out, if I may use the term, the identity with its availability in Canada when she is reading the American magazine. I think this is important. But then, to say that because American magazines are used Canadian would not be used is again a mistake because of the difference in the nature of the media. In the United States, speaking broadly, newspapers are a regional media. In Great Britain it is the other extreme, where you can buy three or four papers in Britain and do a national job immediately. Canada falls somewhere in the middle of this where national newspapers are still more of what in our terms would be a national medium -- very different from the conditions in the United States. Then, too, we have in Canada what is different from weekend supplements in the United States: we have weekend publications with Weekend, Star Weekly, La Presse and La Patrie, which have a tremendous audience. The usage of these publications in Canada is of very great advantage to the type of products you cite, particularly packaged goods products, and dollars spent in our weekend magazines would quite

probably be spent in national magazines such as Macleans and Chatelaine and so on, were it not possible to use weekend media. Then too, in the case of Proctor and Gamble, as one specific example, it has been the policy of this particular company to use very extensive television coverage in Canada, and because of the mechanics of the dollars available for use in advertising promotion many products share the same television vehicles. Proctor and Gamble Company buys multiple television vehicles in both languages and each of these vehicles carry multiple Proctor and Gamble products in order to underwrite the total cost. It has been the policy of that company to use television in recent years rather than print. Therefore, we cannot compare their policy in the United States to Canada.

THE CHAIRMAN: Are you saying Proctor and Gamble don't use television extensively in the United States?

MR. REYNOLDS: Oh no, I wasn't inferring that.

THE CHAIRMAN: Well, if they are using it extensively in the United States, then their extensive use of it in Canada -- and God knows they do use it extensively -- that does not affect the argument. The fact remains in magazine expenditure these twelve companies, Chrysler, General Mills, General Electric, Bristol-Myers, Sterling Drugs, Campbell's Soup, Gillette Company, -- these people use $126,000,000 of advertising for standard products in the United States, and all of these products were sold in Canada, and yet in Canadian

magazines they use 1.9% of their total expenditure. Now, surely, this must be because they feel so far as magazines are concerned they are getting all the Canadian coverage they require in their overflow, and I have only cited six of them. There are many others that would give them Canadian coverage. I think that overflow circulation has an effect on our magazines and is bound to have. In addition to that there are the split-runs, and I am sure you know all about those.

MR. REYNOLDS: Too much.

THE CHAIRMAN: You are against them?

MR. REYNOLDS: Definitely so.

THE CHAIRMAN: Did you deal with this in your brief?

MR. REYNOLDS: In the brief we deal with the conclusion on our recommendation wherein we advocate a study be given to the advantage of printing and publishing in Canada.

THE CHAIRMAN: We will get this when we get your minority report, but you say there was, however, a large body of opinion in favour of distinguishing between magazines which even though importing editorial material are printed, published and mailed in Canada thereby both contributing to Canadian employment and accepting in some degree the responsibilities of citizenship. Is there a limited responsibility of citizenship that can be tolerated at all? When you accept citizenship in this country, corporate or individual, don't you accept all of those responsibilities?

MR. YEATES: I think a better wording would be "accepting their responsibilities".

THE CHAIRMAN: Thank you very much.

COMMISSIONER JOHNSTON: Someone remarked to me during the luncheon period that Mr. Reynolds was expert in evading a direct answer, and I am inexpert in asking questions. So, I guess we owe each other an apology.

MR. REYNOLDS: If anything I have said has been construed as directly evading your questions, I do apologise. I am here to be of assistance to the Commission.

COMMISSIONER JOHNSTON: Well, we are all here for the same purpose.

MR. REYNOLDS: Yes.

COMMISSIONER JOHNSTON: Trying to find an answer to this problem; is that correct?

MR. REYNOLDS: That is quite right.

COMMISSIONER JOHNSTON: One of the questions I asked you just before the Chairman gave me a breather was the matter of the cost in an agency of billing for, say, 500 or 800 weekly newspapers, and the billing for spending the same amount of money in high-class magazines -- slick magazines. You said it would be entirely the advertiser's choice; is that correct?

MR. REYNOLDS: As to which medium he used?

COMMISSIONER JOHNSTON: Yes.

MR. REYNOLDS: Yes.

COMMISSIONER JOHNSTON: If you make recommenda-

tions -- and you do all the time, don't you?

MR. REYNOLDS: Yes.

COMMISSIONER JOHNSTON: And you knew that servicing an account for 800 weeklies was going to cost you a lot more for stenographic checking and billing and all the rest of it, are you that superhuman person who would not take that into account in your recommendation?

MR. REYNOLDS: Mr. Johnston --

COMMISSIONER JOHNSTON: Oh, I am a tough one.

MR. REYNOLDS: I can't conceive from what I know of you that you would pose a question to me termed this way. Quite naturally -- I don't want to incriminate myself -- human nature is such that I might...

COMMISSIONER JOHNSTON: Sure.

MR. REYNOLDS: ...be concerned with the difference in cost, but this would not be the determining factor in my recommendation.

COMMISSIONER JOHNSTON: It would be one of the factors?

MR. REYNOLDS: It would not be a factor, I hope.

COMMISSIONER JOHNSTON: Wouldn't it be the reason that you would object to preparing a special ad. for a special publication?

MR. REYNOLDS: We are preparings ads. for special publications -- special ads. -- constantly; for instance, academic publications across the country.

COMMISSIONER JOHNSTON: On the instructions of whom?

MR. REYNOLDS: Either on instructions of the client -- primarily on instructions of the client.

COMMISSIONER JOHNSTON: Then I have made my point that it costs more to service 800 weekly newspapers than it does to service Time Magazine?

MR. REYNOLDS: Yes, I quite acknowledge that.

COMMISSIONER JOHNSTON: I think I have one more question, Mr. Chairman.

MR. YEATES: Mr. Johnston, on that point, it would cost, of course, an equally great amount to service national television stations across the country as compared to Time Magazine or any other such comparison. I feel duty bound to say that I do not believe this is an important role at all in the decision as to medium buying.

COMMISSIONER JOHNSTON: Don't you think it is an important factor for the little magazine trying to sell some space?

MR. REYNOLDS: It is an important factor, yes, but I would like to emphasise and read this point into the record. The justification for an advertising agency retaining its client is on the basis of the service that it gives to the client, that results in adequate sales of products and service, and such consideration as to the cost of using weeklies as to the cost of using Time is of no consequence in the enlarged responsibllity of servicing a client well in order to retain it, because a client is not bound to retain an agency. Normally the agreement between clients and agencies has a severance

clause of 60 or 90 days, and the only way you keep the client is by servicing it properly.

COMMISSIONER JOHNSTON: Your statement will be very welcome among the weekly newspapers and smaller magazines -- not having that barrier they thought existed.

MR. REYNOLDS: In a personal reference, I might say it costs me considerable to maintain a large staff of people who are doing relatively nothing but checking daily and weekly newspapers across Canada.

COMMISSIONER JOHNSTON: On page 8, appendix III, paragraph 6, the Association of Canadian Advertisers is concerned over the precedent that might be established by the proposed tax -- this is dealing with the 1956 tax, I take it, and it goes on to say, "that governments might be encouraged to enact similar legislation to the detriment of Canadian export sales in those countries." Are you threatening retaliation on the exporter?

MR. YEATES: Not at all, Mr. Johnston. This section of this letter was put in because of the expressed desire of certain international companies based in Canada -- their concern that this type of legislation might provoke similar legislation in other countries in which they are advertising thus raising the cost in those other countries such as Europe, the West Indies, and so on, and they were most concerned, this being a beginning type of legislation, that it may catch on in other countries.

COMMISSIONER JOHNSTON: Do you know of any

other countries suffering from this problem of the influx of United States magazines, or magazines from a contiguous country?

MR. YEATES: I don't know of any identical situation, although I do think some of the West Indian countries have had somewhat similar situations. I don't believe it was in fear that this problem would bring about the tax, but merely that governments may see it as a possibility for revenue and therefore make it more costly for Canadians to deal in export countries.

COMMISSIONER JOHNSTON: That is a new twist. Who wrote that paragraph, do you know?

MR. YEATES: I believe I did.

COMMISSIONER JOHNSTON: Did you, now. Well, this sentence reads so much like one I have read elsewhere.

MR. YEATES: Oh; someone must have copied it.

COMMISSIONER JOHNSTON: "In governmental circles".

MR. YEATES: I have never seen it before except in this brief.

COMMISSIONER JOHNSTON: Do you think that Canadian advertising would be sunk without trace if Time and Reader's Digest were not published here in the form in which they are?

MR. YEATES: Definitely not.

COMMISSIONER JOHNSTON: Would the advertising agencies have less money to spend if neither of those publications published any Canadian advertising?

MR. YEATES: I don't believe so.

COMMISSIONER JOHNSTON: But you are very anxious these two publications continue?

MR. YEATES: I think they have done a very efficient job.

COMMISSIONER JOHNSTON: That is not the question. You are anxious, as the majority of your association, to have these publications continue?

MR. YEATES: Under the terms of reference as given here, that they print and publish in Canada, we think it would be desirable.

COMMISSIONER JOHNSTON: Well, if it was merely a matter of printing and publishing in Canada there is no purpose in this Royal Commission. The whole question could be dealt with expertly by the Tariff Board because you are putting publications in the same category as manufacturers; isn't that so?

MR. YEATES: I am not sure.

COMMISSIONER JOHNSTON: Just branch plants -- that is all Time and Reader's Digest -- that is all that Reader's Digest has now and that Time will have -- the same branch plant as if they were making rubber tires.

MR. YEATES: Later, after Time begins to publish in Canada.

COMMISSIONER JOHNSTON: Thank you very much.

MR. REYNOLDS: May I ask a question, Commissioner Johnston: do you mean by the same inference that if I am correct in assuming you are advocating abolition of these two foreign publications from the Canadian

market, would you carry the same punitive legislation to products?

COMMISSIONER JOHNSTON: Surely - -I have not the foggiest idea what we are going to recommend. We were hoping for help from you and so far as I can see we have not got it.

MR. YEATES: On that point, Mr. Commissioner, we studied this for a good many months and if our recommendations are simple in character it is because they are the only recommendations that we see that can be workable. That there are penalties, punitive penalties that have been made to date that may make it --

COMMISSIONER JOHNSTON: You are not advocating anything are you, except that Time set up a branch plant the same as Reader's Digest.

MR. YEATES: And that means be found to present the -- I think the magazine industry will have to take a chance on it, that is all.

THE CHAIRMAN: Mr. Beaubien has one question.

COMMISSIONER BEAUBIEN: Coming back to overflow again, just one question I would like to have information on is it true that American parent companies having subsidiaries here in Canada charge a certain amount to cover for the benefits that the Canadian subsidiaries would have from overflow advertising, in other words, Ford and GM? I have heard that.

MR. YEATES: That is essentially not true amongst the larger advertisers with whom I have discussed it. I cannot give you an all-embracing answer but certainly my

company makes it no-charge for overflow circulation nor do I charge over to them the overflow on radio and television programs going back into the United States, in Windsor, Niagara Falls and so on. There is no charge there. As I mentioned to you before, I have spoken to four of the major advertisers in the country four of whom were listed by Mr. O'Leary and they do not get any charge back for any overflow circulation.

COMMISSIONER JOHNSTON: Do they get opportunities to get into the split-run business. The Canadian subsidiary pays a relatively small sum to have its name and address put on a big add?

MR. YEATES: I have to answer that in a general way. I think they would have opportunities through their own advertising budgets if the split-runs were fully available. Up to this time there have not been too many split-runs available to Canadian advertisers, as separate from regional runs in the United States. That may include Canada, that is New England states along with Canada or the mid-American states along with Canada. My understanding is there have not been too many instances of split-runs in Canada.

MR. REYNOLDS: The company that I represent has 100 clients of which many of them have their parent offices in the United States and there is not a single case where the overflow circulation was charged. It would be folly to categorically deny it is not done but it is a matter of accounting between the parent and subsidiary company. I would suggest it is very definitely in the minority and

very small at that.

THE CHAIRMAN: I would like to ask one question more for information than anything else; would you gentlemen agree that a domestic or Canadian merchandiser, we will say, has a right to use or should have a right to use a foreign medium of communication to direct an advertising message to the Canadian or domestic market? Would he be deprived of any fundamental right if he was deprived of the right of using a foreign publication to direct the message to the Canadian people where he is operating.

MR. YEATES: I think in our association you would find a diverse viewpoint on this. There would be some that would say that this would be an undue closing-up of available advertising media and there are a great many, including myself, who feel split-runs as a specific example are not necessary or desirable in the advertising scheme.

THE CHAIRMAN: Would you say on the whole it would be undesirable for him to do this and he would not be deprived of a fundamental right if he was deprived of that right.

MR. YEATES: I do not think he would be deprived of a fundamental right.

MR. REYNOLDS: It is not a matter of freedom of the press, so far as we are concerned it is strictly an economic question. If a manufacturer in Canada, regardless of where he is owned, is deprived of the rights of "Time" or "Reader's Digest" he would be deprived for reasons other than the use of it as an advertising medium. It would be

a right of an advertiser to use any medium whereby the use of his dollars is handled efficiently or inefficiently at his choice. The right to publish is a decision that must be made by the company, that is, the ones represented by Mr. Yeates and myself.

THE CHAIRMAN: We are going to have you gentlemen back on Friday, if you do not mind because we have some further questions. We would like you to settle with Mr. Pitfield the matter of disagreement in your organization and in the meantime thank you for coming. We are pleased that you did not bring up this question of the freedom of the press and did not go so far as to plead the fifth amendment.

MR. REYNOLDS: We appreciate the privilege of appearing before the Commission. To reiterate what I said earlier, we are here for one purpose which we hope we have made abundantly clear. This is a matter of grave concern to Mr. Yeates and myself that Commissioner Johnston should take such a diverse point of view as to our intent in the way we have discharged our duties today. We hope we can dispossess his mind of such fallacies.

COMMISSIONER JOHNSTON: Well, you are coming back on Friday.

MR. YEATES: Thank you very much.

OBJECTS OF THE ASSOCIATION

The objects of the Association of Canadian Advertisers Incorporated are:

To promote the highest standards of advertising to the end that it becomes a more effective tool of business and management.

To affiliate advertisers into a central body for the protection and promotion of their advertising and merchandising interests.

To provide a means through which advertisers may assist each other, by an exchange of ideas, in the production of more effective work.

To encourage the study and better understanding of advertising.

To promote the development of the science of advertising and marketing.

To help correct abuses in advertising that may arise.

To aid in the elimination of waste in distributing goods and services.

To promote the common interest and welfare of its members.

To promote good fellowship among advertising people.

STANDARDS OF PRACTICE

The conduct of the Association of Canadian Advertisers and of the members comprising it is governed by the following standards of practice:

To support unequivocally the principle of Truth in Advertising, avoiding all manner of misrepresentation and falsification.

To discourage the use of advertising that does not measure up to the highest ethical standards.

MEMBERSHIP LIST

ASSOCIATION OF CANADIAN ADVERTISERS, INC.

Aluminum Company of Canada, Limited, Montreal
American Can Company of Canada Limited, Hamilton
American-Standard Products (Canada) Limited, Toronto
Anaconda American Brass Limited, New Toronto
Appleford Paper Products Limited, Hamilton
Armstrong Cork Canada Limited, Montreal

Bank of Canada, Ottawa
Bank of Montreal, Montreal
Bank of Nova Scotia (The), Toronto
Beecham Products Limited, Toronto
Bell Telephone Company of Canada (The), Montreal
Borden Company, Limited (The), Toronto
Bright & Co. Limited, T.G., Niagara Falls, Ont.
Bristol-Myers Company of Canada Ltd., Toronto
British American Oil Company Limited, Toronto
Bulova Watch Company Limited, Toronto

Campbell Soup Company Limited, New Toronto
Canada Cement Company Limited, Montreal
Canada Dry Limited, Toronto
Canada Packers Limited, Toronto
Canada Starch Company Limited (The), Montreal
Canadair Limited, Montreal
Canadian Bank of Commerce (The), Toronto
Canadian Bankers' Association (The), Montreal
Canadian Canners Limited, Hamilton
Canadian Fairbanks-Morse Company Limited (The), Montreal
Canadian Gas Association (The), Toronto
Canadian General Electric Company Limited, Toronto
Canadian Industries Limited, Montreal
Canadian Ingersoll-Rand Company Limited, Montreal
Canadian Johns-Manville Co., Limited, Port Credit
Canadian Kodak Co., Limited, Toronto
Canadian Marconi Company, Montreal
Canadian National Railways, Montreal
Canadian Oil Companies, Limited, Toronto
Canadian Pacific Railway Company, Montreal
Canadian Pittsburgh Industries Limited, Toronto
(incl. Hobbs Glass, Murphy Paint & Pennvernon Divisions)
Canadian Salt Company Limited (The), Montreal
Canadian Schenley Ltd., Montreal
Canadian Tampax Corporation Ltd., Barrie, Ont.
Canadian Westinghouse Company Limited, Hamilton
Chemcell Fibres Limited, Montreal
Christie, Brown and Company, Limited, Toronto
Chrysler Corporation of Canada Limited, Windsor
Cluett-Peabody & Co., of Canada Limited, Toronto
Coca-Cola Ltd., Toronto
Canadian Coleman Company Limited (The), Toronto
Colgate-Palmolive Limited, Toronto
Corby Distillery Limited, H., Montreal
Coutts Company Limited, William E., Toronto
Crown Diamond Paint Company Limited (The), Montreal
Crown Life Insurance Company, Toronto

Dominion Oilcloth & Linoleum Co. Limited, Montreal
Dominion Rubber Company Limited, Montreal
Dominion Seven-Up Company Limited, Toronto
Dominion Stores Limited, Toronto
Dominion Textile Company Limited, Montreal
Dow Brewery Limited, Montreal
Dunlop Canada Limited, Toronto
Du Pont of Canada Limited, Montreal

Eaton Co. Limited (The T.), Toronto
Eddy Company (The E.B.), Hull, Que.

Ford Motor Company of Canada Limited, Toronto
Fry-Cadbury Ltd., Montreal

General Foods, Limited, Toronto
General Mills, Inc., Toronto
General Motors Products of Canada Limited, Oshawa
Gerber Products of Canada, Ltd., Toronto
Gillette of Canada, Limited, Montreal
Glidden Company Limited (The), Toronto
Goodrich Canada Limited, B.F., Kitchener
Goodyear Tire & Rubber Co. of Canada, Limited, New Toronto
Green Giant of Canada Limited, Tecumseh, Ont.
Greene Limited, L. R., Toronto

Heinz Company of Canada Ltd., H.J., Leamington
Honeywell Controls Limited, Toronto
Household Finance Corporation of Canada, Toronto
Howard Smith Paper Mills Limited, Montreal
Hydro-Electric Power Commission of Ontario (The), Toronto

Imperial Flo-Glaze Paints Limited (The), Toronto
Imperial Oil Limited, Toronto
Imperial Tobacco Company of Canada, Limited, Montreal
Industrial Acceptance Corporation Limited, Montreal
International Business Machines Company Limited, Toronto
International Harvester Company of Canada, Limited, Hamilton
International Nickel Company of Canada, Limited (The), Toronto
International Silver Company of Canada, Limited (The), Niagara Falls, Ont.

Javex Company Limited, Toronto
Johnson & Johnson Limited, Montreal
Johnson and Son, Limited, S.C., Brantford
Jordan-Danforth Wines Limited, Toronto

Kellogg Company of Canada, Limited, London
Kendall Company (Canada) Limited (The), Toronto
Kimberly-Clark Canada Ltd., Toronto
Kraft Foods Limited, Montreal

Labatt Limited, John, Toronto
Lever Brothers Limited, Toronto
Lightning Fastener Co. Limited, St. Catharines
Lipton Limited, Thomas J., Toronto

Maple Leaf-Purity Mills Limited, Toronto
Massey-Ferguson Ltd., Toronto
Melchers Distilleries, Limited, Montreal
Metropolitan Life Insurance Company, Ottawa

Miles Laboratories, Ltd., Toronto
Moffatts Limited, Weston
Molson's Brewery Limited, Montreal
Murine Company, Inc. (The), Chicago, Ill.

Nabisco Foods Limited, Toronto
National Cash Register Company of Canada Limited (The), Toronto
National Cellulose of Canada Limited, Toronto
William Neilson Limited, Toronto
Nestle (Canada) Ltd., Toronto
Northern Electric Company Limited, Montreal
Noxzema Chemical Company of Canada Limited (The), Toronto

Ogilvie Flour Mills Co., Limited (The), Montreal
O'Keefe Brewing Company Limited, Toronto
Oneida Ltd., Toronto

Parker Company Limited, L. M., Montreal
Pepsi-Cola Company of Canada Limited, Montreal
Personal Products Limited, Montreal
Philips Electronics Industries Limited, Toronto
Pitney-Bowes of Canada, Ltd., Toronto
Planters Nut and Chocolate Company Limited, Toronto
Procter & Gamble Company of Canada, Limited (The), Toronto
Provincial Paper Limited, Toronto
Prudential Insurance Company of America (The), Toronto

Quaker Oats Company of Canada Limited (The), Peterborough

Reckitt & Colman (Canada) Limited, Montreal
Reynolds Aluminum Company of Canada, Limited Montreal
Robin Hood Flour Mills Limited, Montreal
Rolland Paper Company Limited, Montreal
Royal Bank of Canada (The) Montreal

Salada-Shirriff-Horsey Ltd., Toronto
Seagram Limited, The House of, Montreal
Shawinigan Water and Power Company (The), Montreal
Shell Oil Company of Canada Limited, Toronto
Sherwin-Williams Co. of Canada, Limited (The), Montreal
Simpson Company Limited (The Robert), Toronto
Standard Brands Limited, Montreal
Steel Company of Canada, Limited (The), Hamilton
Sterling Drug Mfg. Ltd., Aurora, Ont.
Sun Oil Company Limited, Toronto
Swift Canadian Co., Limited, Toronto

TCF of Canada Limited, Montreal
Templetons Limited, Toronto
Texaco Canada Limited, Montreal
Thompson Products Ltd., St. Catharines
Timex of Canada Limited, Toronto
Toronto-Dominion Bank (The), Toronto
Toronto General Trusts Corporation (The), Toronto
Trans-Canada Air Lines, Montreal
Tuckett Limited, Hamilton

Underwood Limited, Toronto

Vick Chemical Inc., New York, N.Y.

Wabasso Cotton Company Limited (The), Montreal
Walker & Sons Limited, Hiram, Walkerville
Westminster Paper Company Limited, New Westminster, B.C.
Weston Limited, George, Toronto
Whitehall Laboratories Limited, Toronto
Wood, Gundy & Company Limited, Toronto
Wrigley Jr. Company Limited, Wm., Toronto

APPENDIX I

OBJECTS OF THE ASSOCIATION

The objects of the Canadian Association of Advertising Agencies are:

To promote a better understanding of the essential place and value of advertising in the structure of modern business.

To establish sound ethical standards in the craft of advertising, and so to serve the best interests of the public, of advertisers, of media owners and of the advertising agencies alike.

To promote and to safe-guard the interests of advertising agencies in general, and of the member-agencies of this Association in particular.

To define the essential functions of the advertising agency, including its professional relationship with clients and advertising media.

To aid in the continued improvement in the efficiency and value of advertising by promoting scientific research and investigation in connection with advertising.

To work harmoniously with other advertising and media organizations for the betterment of mutual relations, for the lessening of waste, and for the promotion of operational efficiency.

To provide a representative central body through which agency opinion and agency views may be expressed.

To promote such friendly relationship between all advertising agencies as will perpetuate a high standard of operation and service, and to promote a continuing interchange of ideas so that each agency can better serve its clients and the public interest.

To discuss advertising agency problems; to develop, for the benefit of all concerned, reliable information regarding agency operation and service and to provide member-agencies with information regarding accounting methods and determination of operational cost.

MEMBERSHIP LIST

CANADIAN ASSOCIATION OF ADVERTISING AGENCIES

Ardiel Advertising Agency Limited, Toronto

Baker Advertising Agency Limited (The), Toronto
Batten, Barton, Durstine & Osborn, Inc., Toronto
John McKenney Bingham Limited, Toronto
Brown, Mitchell & Wright Limited, Vancouver, B.C.
Burnett Company of Canada, Leo, Ltd., Toronto
Burns Advertising Agency Limited, Montreal

Canadian Advertising Agency Limited, Montreal
Cockfield, Brown & Company Limited, Montreal
Crombie Advertising Company Limited, Montreal

D'Arcy Advertising Company, Toronto

Erwin Wasey, Ruthrauff & Ryan (Canada) Limited
Toronto

Ferres Advertising Limited, Hamilton
Foote, Cone & Belding (Canada) Limited, Toronto
Foster Advertising Limited, Toronto

F. H. Hayhurst Co. Limited, Toronto

Imperial Advertising Limited, Halifax, N.S.
Industrial Advertising Agency Limited, Toronto

Albert Jarvis Limited, Toronto

Russell T. Kelley Co. Limited, Hamilton

Kenyon & Eckhardt Ltd., Toronto

James Lovick & Company Ltd., Toronto

MacLaren Advertising Co. Limited, Toronto
MacManus, John & Adams of Canada Ltd., Toronto
McCann-Erickson (Canada) Limited, Toronto
McConnell, Eastman & Co. Limited, Toronto
McKim Advertising Limited, Toronto
Muter, Culiner, Frankfurter & Gould Limited, Toronto

Needham, Louis & Brorby, of Canada Ltd., Toronto

O'Brien Advertising Limited, Vancouver, B.C.
William R. Orr Limited, Toronto

Paul, Phelan and Perry Limited, Toronto
Pemberton, Freeman, Bennett and Milne Limited,
Toronto
Publicite J. -E. Huot Limited, Montreal

Ronalds-Reynolds & Company, Toronto

R. C. Smith & Son Limited, Toronto
Spitzer, Mills & Bates, Limited, Toronto
Stanfield, Johnson & Hill Limited, Montreal
Stevenson & Scott Limited, Montreal

Tandy-Richards Advertising Limited, Toronto
J. Walter Thompson Company Limited, Montreal
Thompson-Petersen Advertising Agency Limited, Toronto

Vickers & Benson Ltd., Montreal

Walsh Advertising Company Limited, Toronto

Young & Rubicam Ltd., Toronto

Periodical Publications an important advertising medium

While it is true that only approximately 11% of the 1959 advertising dollar went into Periodical Publications, including the Weekend Supplements — down 1% from 1956 when a tax was imposed on the advertising revenues of Canadian editions — they are, nonetheless, an important medium of advertising, if only because what they do best cannot be done equally well by other media.

BREAKDOWN OF ESTIMATED ADVERTISING EXPENDITURES — 1956 and 1959

SOURCES: DBS & Maclean-Hunter Research Dept.: Estimate

*General Magazines	$17,940,000	3.7%
Canadian	11,773,000	2.4
Non Canadian	6,167,000	1.3

956
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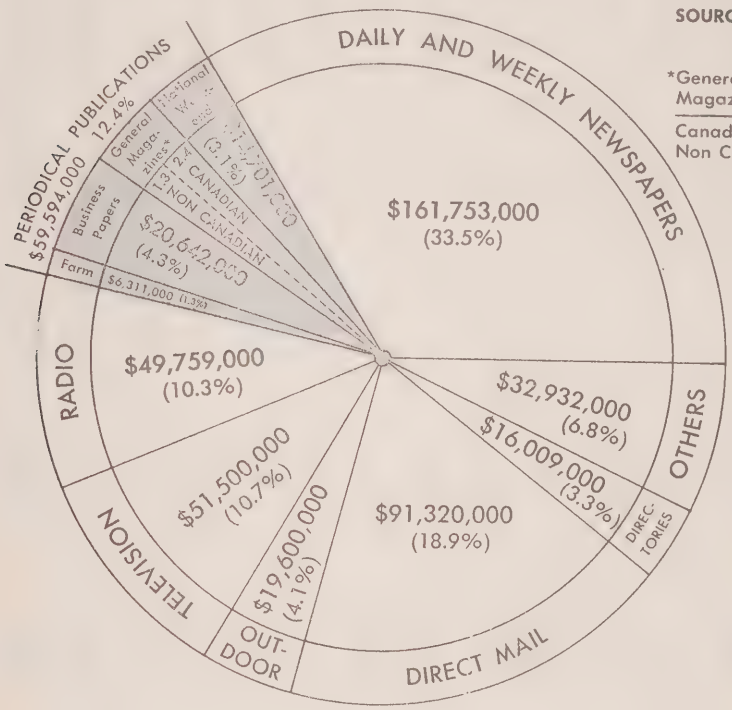
dvertising
xpenditures:
482,467,000



959
otal
dvertising
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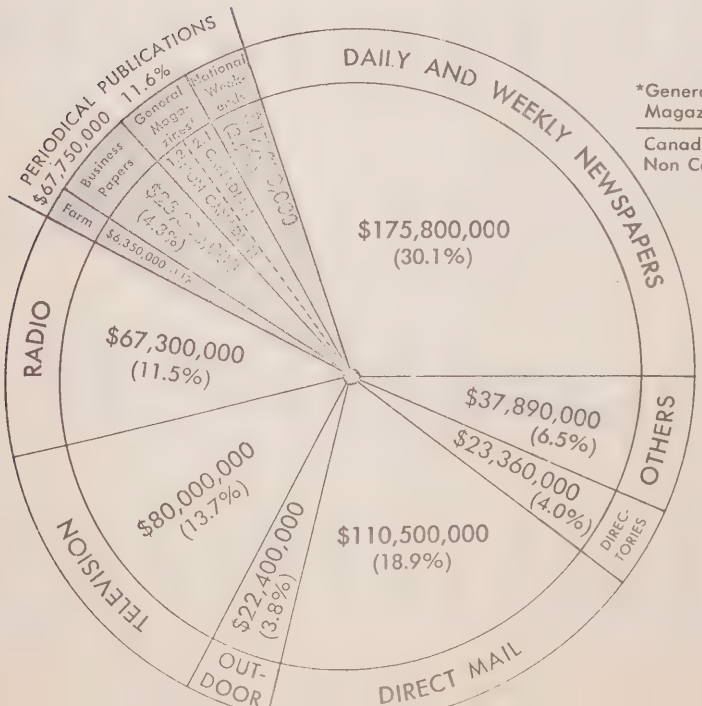
585,000,000



*General Magazines	$19,100,000	3.3%
Canadian	12,084,000	2.1
Non Canadian	7,016,000	1.2

ESTIMATED ADVERTISING EXPENDITURES IN CANADA

1946-1960 (Given in Thousands of Dollars)

	Net Advtg. Revenue Periodicals	Gross Advertising - Expenditure - Radio	TV	Net Advtg. Revenue Outdoor	--- Direct Mail --- Postage	Printed Material	Imported Advtg. Matter	Agency Commission (Excl. Radio & TV)	TOTAL
1946	$ 70,000	$14,000	$ ...	$ 7,000	$ 4,700	$ 24,265	$1,887	$ 7,000	$128,852
1947	86,991	15,096	...	8,300	5,500	30,480	2,312	8,497	157,176
1948	100,035	18,215	...	10,000	6,200	36,663	3,181	9,624	183,918
1949	117,853	20,130	...	11,400	7,100	41,036	3,866	11,403	212,788
1950	127,491	22,818	...	12,900	8,000	46,060	4,507	12,118	233,894
1951	140,733	27,572	...	14,200	8,800	49,868	4,633	13,418	259,224
1952	157,049	31,487	200	15,500	9,500	55,740	5,143	15,035	289,654
1953	180,824	35,647	6,300	16,600	10,300	60,609	6,507	17,527	334,314
1954	194,622	35,279	11,400	17,600	11,100	65,488	7,089	18,375	360,953
1955	212,474	42,519	31,400	18,600	12,100	72,118	7,528	19,746	416,485
1956	240,097	49,759	51,500	19,600	13,000	78,320	7,930	22,261	482,467
1957	249,573	57,000	63,000	20,500	13,800	83,561	8,166	23,879	519,479
1958	261,023	62,000	70,000	21,500	14,600	89,000	8,695	24,193	551,011
1959*	270,000	67,300	80,000	22,400	15,500	95,000	9,000	25,500	585,000
1960 FORECAST*	278,000	72,000	90,000	23,300	16,400	100,000	9,500	26,600	615,800

*M-H Research Department estimates.

Media advertising revenue figures given in the above table is the result of an independent assess-

APPENDIX IV

ASSOCIATION OF CANADIAN ADVERTISERS INCORPORATED

C
O
P
Y

TORONTO, CANADA

April 3rd, 1956.

The Honourable Walter Harris,

Minister of Finance,

House of Commons,

OTTAWA, Canada.

Dear Sir:

The Board of Directors of the Association of Canadian Advertisers has instructed me to advise you that, after careful deliberation, this association feels duty-bound to voice its strong objection to the 20 per cent tax to be levied on the gross advertising revenue of special editions of non-Canadian periodicals issued to the public in Canada.

Since your announcement to this effect in the House of Commons on March 20th, a large percentage of the 167 member companies of this association, representing approximately 85 per cent of the national advertising dollars spent in Canada, have communicated to the Board of Directors their deep concern and alarm at this precedent-setting discriminatory tax which will directly affect Canadian national advertisers.

As Canadian advertisers, we fully respect your government's desire to protect our own Canadian culture and nationalism. We would, however, like to point out that despite the Canadian editions of foreign publications, Canadian periodicals have expanded tremendously in scope, as much as 50 per cent in circulation and 80 per cent in gross advertising revenue, in the past 10 years.

It is not the intention of this association to judge whether or not Canadian editions of foreign magazines have been hampering the development of Canadian magazines, but we doubt whether such drastic action would have been taken had you been fully aware of the fine record established over the years by Canadian magazines.

Although the national advertisers of Canada are against, in principle, tax legislation aimed at throttling any one segment of our industry, an industry which we feel is so vital to our national economy and development, we, the national advertisers of Canada, are also deeply concerned that this legislation will not achieve its purpose but, on the contrary, serve to hinder the intake of advertising revenues by all Canadian magazines.

This concern is based on the presumption that Canadian editions of foreign publications will have the choice of either ceasing publication or increasing their advertising rates and, perhaps, their cost to the consumer. Canadian national advertisers have every reason to believe that these publications will not cease publication.

As a result, the majority of ACA member companies will be faced with the increased advertising rates and in order to find the extra funds to cover such increased rates will be forced to trim their advertising expenditures, not only in Canadian magazines, but in other Canadian advertising media as well.

The Board of Directors of the Association of Canadian Advertisers, therefore, respectfully request that you reconsider this legislation inasmuch as the tax would provide only a negligible amount of revenue to the government of Canada and would not, in our opinion, accomplish the purpose for which it was intended.

Yours sincerely,

(SGD.) "FRANK A. HEALY"
General Manager.

APPENDIX IV

ASSOCIATION OF CANADIAN ADVERTISERS, INC.

C
O
P
Y

Toronto, Canada

CONFIDENTIAL

The Honourable W. E. Harris, Q.C., May 10th, 1956.
Minister of Finance,
Confederation Building,
OTTAWA, Canada.

Dear Mr. Harris:

We very much appreciated the opportunity of discussing the proposed tax on Canadian editions of foreign periodicals with you in Ottawa earlier this week. Your frank outline of the government's position in this matter made our meeting particularly interesting and worthwhile.

At your request, we are summarizing in this letter the reasons we are convinced that this tax, if enacted, will not accomplish the desired objective of providing protection for Canadian-owned publications. We have also attached a list of the other points covered in our Ottawa discussions.

A careful analysis of our advertising budgets reveals that the proposed tax will result in a decrease, perhaps a material decrease, in the advertising revenues available to strictly Canadian publications, provided the tax is passed along to the nation's advertisers.

Our studies clearly demonstrate the effectiveness and importance of the affected publications to the national magazine field as an advertising medium. We are, therefore, deeply concerned over the possibility that tax-enforced increases in advertising rates may cause a flight of advertising dollars away from the magazine publishing field and into other national advertising media.

In addition, our analyses show that "marginal" Canadian-owned publications -- those with lower circulations and advertising revenues and often operating on a narrow margin of profit -- will be the first to be adversely affected by the legislation. Advertisers, in order to best match magazine circulations to national market potential, may well be forced to lower their spending in these publications in order to meet the increased rates brought about by the proposed tax.

Finally, we believe, that even the stronger Canadian magazines will suffer a decline in advertising revenues. This situation, if allowed to exist for any period of time, might well bring about chaotic conditions in the Canadian magazine field, with the possible prospect of sharp advertising rate competition, lowered quality of editorial content, and eventual bankruptcies among smaller Canadian-owned publications.

In view of this situation, we would again like to suggest to you the deferment of this proposed tax legislation and the appointment of an independent fact-finding commission to study every aspect of this complex matter.

If you so wish, the Association of Canadian Advertisers will be happy to serve on such a committee and to cooperate with you in every possible way in providing additional information or verifying the accuracy of the information that has already been presented to you from various sources.

Sincerely,

(SGD.) "R. R. McINTOSH"
President

(SGD.) "M. M. SCHNECKENBURGER"
Immediate Past President

(SGD.) "ALLAN B. YEATES"
Director

A SUMMARY OF OTHER VIEWPOINTS
of the
ASSOCIATION OF CANADIAN ADVERTISERS
on the
PROPOSED MAGAZINE TAX

1. The Association of Canadian Advertisers is firmly opposed to any tax on advertising. We believe that such taxation represents a serious restraint on business incentive in this country.

2. The Association of Canadian Advertisers believes that the proposed tax, if enacted, would hinder the positive role that advertising plays in buoying the nation's economy. During the postwar period, advertising has been a major factor in Canada's continuous expansion. The ACA contends that the proposed tax could have a dampening effect on the nation's present high rate of consumption of goods and services.

3. The Association of Canadian Advertisers believes that the tax will be of particular hardship to Canadian-owned companies, who must depend entirely on Canadian advertising media to support their sales operations in this country.

4. The Association of Canadian Advertisers believes that this tax would particularly handicap the smaller companies in Canadian industry. These companies, which often must rely on a single advertising medium, would be forced to eventually increase their spending if the tax is passed along to the advertisers, or face a reduction in the audience for their advertising messages.

5. The Association of Canadian Advertisers is opposed to any tax legislation which would weaken the advertising media structure in this country. Canadian industry must have the strongest possible media position in order to sell its products effectively and economically to the Canadian public.

6. The Association of Canadian Advertisers is concerned over the precedent that might be established by the proposed tax. Other governments might be encouraged to enact similar legislation to the detriment of Canadian export sales in those countries.

7. The Association of Canadian Advertisers believes that no form of legislation will change the reading habits and desires of the public. It is axiomatic, therefore, that those magazines with tthe strongest editorial content and the most aggressive business management will continue to take their share of total Canadian magazine circulations.

APPENDIX IV

C O P Y

ASSOCIATION OF CANADIAN ADVERTISERS INC.

85 Richmond Street West,

TORONTO 1, Ontario.

August 29th, 1956.

The Honourable W. E. Harris, Q.C.,

Minister of Finance,

Confederation Building,

OTTAWA, Canada.

Dear Mr. Harris:

Canadian business felt the first impact of your new 20% tax on advertising revenue in Canadian editions of foreign magazines -- and the Canadian consumer will soon feel this impact -- as a result of Reader's Digest this week announcing a 13½% increase in its advertising rates effective 1957. Within the next few days, TIME, too, will announce a substantial increase.

The 170-corporate member Association of Canadian Advertisers regrets that you did not take cognizance of our recommendations to you last May following the interview you granted our President and members of our Board of Directors.

At that time, among other things, we urged you to set up a committee representative of all branches of advertising to study the plight of Canadian publications and endeavour to develop for your consideration, a more constructive solution.

In view of this first advertising rate increase announcement, and those pending, we are convinced that such a committee is now imperative. And we reiterate our offer to sit on it or assist you in any other way.

ACA is tremendously concerned with the welfare of all publications in Canada. As businessmen, however, we are buying audience and, despite rate increases, the Canadian editions of foreign magazines are still essential to many national advertisers. Every indication points to the fact that budget re-allocating, because of this tax, will draw advertising dollars away from Canadian magazines. Last May we produced figures to show that even higher advertising rate increases, than have been announced, would have little effect on the amount of space bought in the Canadian editions by national advertisers.

We are convinced now, more than ever, that your new tax will harm not only Canadian magazines but, in time, daily newspapers, radio, television and other Canadian media as well. We respectfully urge you, therefore to immediately establish an advertising advisory committee to review the distribution of Canadian advertising dollars over the next few months and to develop recommendations that will be in the best interests of all concerned.

We would like also to take this opportunity to point out that the August 7th Hansard quoted you as saying that ACA "expressly disavowed any intention or desire or perhaps ability to solve the problem with which we were contending". With all due respect, we think there has been a grave misunderstanding. Our strong recommendation to the government was a

"deferment of this proposed tax legislation and the appointment of an independent fact-finding committee to study every aspect of this complex matter". We further stated that ACA would be more than happy to serve on such a committee.

ACA feels that the sensible course now open is the one we suggest, a fact-finding committee to watch trends in media selection as a result of the tax. The committee can then study the situation as to how this tax adversely affects Canadian magazines, newspapers and other media and bring forward healthier and more constructive recommendations.

Again, sir, may we stress our extreme desire to be of the utmost assistance to you in this difficult and delicate situation.

Sincerely,

(SGD.) "FRANK A. HEALY"
General Manager.

FAH/at

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APPENDIX IV

C O P Y

ASSOCIATION OF CANADIAN ADVERTISERS
INC.
85 Richmond Street West,
TORONTO 1, Ontario.

January 10th, 1958.

The Honourable Donald M. Fleming, Q.C., M.P.,
Minister of Finance,
Confederation Building,
O T T A W A, Canada.

Dear Sir:

You will no doubt recall that early in 1956 the Board of Directors of the Association of Canadian Advertisers, members in opposition to the government at that time and a large segment of Canadian daily newspapers in their editorials, voiced a strong objection to the 20% tax about to be levied on the gross advertising revenue of Canadian editions of non-Canadian periodicals; and the purpose of this letter is to indicate that the attitude of this Association remains unchanged in that it is strongly opposed, in principle, to any tax on advertising revenue because it is firmly of the opinion that tax legislation aimed at throttling any one segment of our industry is bound to have a serious effect upon the economic stability of the country.

The objections of this organization, and reasons therefore, were set out in letters to the Honourable Walter Harris dated April 3rd, 1956 and May 10th, 1956. For your information, copies of these letters are attached.

In both of these letters certain predictions were made by this Association which Mr. Harris refused to contemplate; and we quote paragraphs 3, 4, 5 and 6 from our letter of May 10th:

> "A careful analysis of our advertising budgets reveals that the proposed tax will result in a decrease, perhaps a material decrease, in the advertising revenues available to strictly Canadian publications, provided the tax is passed along to the nation's advertisers.
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> "Our studies clearly demonstrate the effectiveness and importance of the affected publications to the national magazine field as an advertising medium. We are, therefore, deeply concerned over the possibility that tax-enforced increases in advertising rates may cause a flight of advertising dollars away from the magazine publishing field and into other national advertising media.
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> "In addition, our analyses show that "marginal" Canadian-owned publications -- those with lower circulations and advertising revenues and often operating on a narrow margin of profit -- will be the first to be adversely affected by the legislation. Advertisers, in order to best match magazine circulations to national market potential, may well be forced to lower their spending in these

publications in order to meet the increased rates brought about by the proposed tax.

"Finally, we believe, that even the stronger Canadian magazines will suffer a decline in advertising revenues. This situation, if allowed to exist for any period of time, might well bring about chaotic conditions in the Canadian magazine field, with the possible prospect of sharp advertising rate competition, lowered quality of editorial content, and eventual bankruptcies among smaller Canadian-owned publications."

The best evidence that these predictions were well founded is contained in comparing the actual linage figures and dollar volume for 1956 and 1957 of the twelve magazines reporting to the Canadian Advertising Magazine Summary as set out in the attached Magazine Advertising Bureau Bulletin #487.

Precisely what has actually happened? Here are some of the facts.

Total advertising dollar volume for all 12 magazines for 1956 ..... $19,495,891

Total advertising dollar volume for all 12 magazines for 1957 20,046,001

Note after deducting tax due on 1957 advertising revenue of the two foreign publications involved amounting to $1,041,337 the 1957 revenue of all 12 magazines amount to 19,004,664

A decrease of $491,227 or 2.6%

TOTAL LINAGE FIGURES

Total linage figures for all 12 magazines for 1956..... 4,519,503

Total linage figures for all 12 magazines for 1957..... 3,992,205

Decrease in lines, representing a decrease of 11.6% 527,298

These latter figures represent a serious sit- in the magazine industry as a whole.

What is their significance?

To go back to paragraph 3 of our letter of May 10th, 1956:

" . . . the proposed tax will result in a decrease in advertising revenues of strictly Canadian-owned publications . . ."

Three of the Canadian-owned publications showed a slight increase in revenue - seven showed a decrease.

Quotation from paragraph 4:

". . . the tax-enforced increases in advertising rates may cause a flight of advertising dollars away from the magazine publishing field and into other national advertising media."

The actual overall increase in total magazine revenue for the twelve Canadian magazines referred to previously amounted to 2.8% whereas the increase in total national advertising expenditures in Canada in all media for 1957 over 1956, amounted to from 8 to 10% indicating that magazines were far below the percentage increase for all media. This along with a loss in dollar volume on the part of seven Canadian-owned magazines and a loss in linage volume by every one of the twelve magazines amounting to a total decrease of 11.6%, appears to be reasonable evidence that in 1957 advertising dollars did move from the magazine field to other advertising media.

Quotation from paragraph 5:

" . . . our analyses show that 'marginal' Canadian-owned publications - those with lower circulations - will be the first to be affected by the legislation."

With the exception of La Revue Moderne all of the small circulation magazines had heavy linage losses and of all Canadian-owned magazines, those experiencing the most serious loss were Le Samedi and Saturday Night.

Quotation from paragraph 6:

> " . . . we believe that even the stronger Canadian magazines will suffer a decline in advertising revenues . . ."

Due to certain increased rates this prediction has not come true; but we believe the linage losses of the large circulation Canadian-owned magazines is a better measure of the seriousness of the situation.

The following are the actual percentage losses of the four leading Canadian-owned magazines:

Canadian Home Journal	. . . 9.9%
Chatelaine	. . . 8.2%
Maclean's Magazine	. . . 5%
Liberty	. . . 5.5%

The Reader's Digest with largest magazine circulation in Canada had the lowest loss in linage - 2.6%. It is interesting to note here that this publication had the largest increase in revenue.

Therefore, Sir, we submit that the imposition of the tax has had an adverse effect on the climate of the magazine business in Canada generally, and specifically, most Canadian-owned magazines are worse off today than they were prior to the imposition of the 20% tax on the advertising revenue of Canadian editions of foreign publications; and it is our considered opinion that this downward trend will continue as long as this legislation remains in effect.

We submit, too, that this tax has not diverted advertising revenue from Canadian editions of foreign publications to Canadian-owned magazines, because seven out of ten Canadian-owned publications suffered a loss in revenue and we repeat here that all have suffered a loss in linage.

In lieu of the above information the Board of Directors of this Association respectfully suggests that this legislation be rescinded because, in our opinion, it has not accomplished the purpose for which it was intended, and because as a tax on risk capital, it acts as a deterrent to continuing business expansion in Canada.

The ACA Tax Legislation Committee, composed of R. R. McIntosh, A. B. Yeates and B. E. Legate, have other thoughts on this subject which they feel would be of interest to you and they would be pleased to meet with you in Ottawa or Toronto for an informal discussion on a date suitable to you.

We have been informed that your department has retained two independent people to study this problem and if you care to have them meet with the ACA committee such a meeting can be arranged at a time convenient to your two appointees.

Sincerely yours,

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(SGD.) T. M. ATKINSON,
President.

MR. CHAIRMAN: We will now take a short recess.

---Short recess.

SUBMISSION OF

CANADIAN CIRCULATIONS AUDIT BOARD INC.

APPEARANCE: Mr John A. M. Galilee

MR. GALILEE: Mr. Chairman, Mr. Rose is unfortunately unable to be here but his brief reads as follows:

1. As President of Canadian Circulations Audit Board, Incorporated, a non-profit corporation, I welcome the opportunity of expressing some views with reference to the importance of Canadian publications to the economic life of Canada.

The objects of this corporation are:

1. TO provide publications with an audit of their circulations, geographical breakdowns and mailing list classifications.
2. TO issue standardized statements of the circulation of publication members; to verify such statements by auditor's examination of any and all records considered by the Corporation to be necessary
3. TO disseminate circulation data for th benefit of advertisers, advertising ag cies, publishers or any other individual or company legitimately requiring such information.

4. TO do all such other things as are incidental or conducive to the above objects.

2. Membership embraces advertisers, advertising agencies and publishers. While publisher membership exceeds that of all others, control of the Corporation is vested in the advertisers and agencies through the voluntary action of the publishers.

3. As of the present date Canadian Circulations Audit Board, Inc. audits the circulation of 247 Canadian business publications. By doing so the Corporation renders service to its constituent membership and the reports issued from one of the primary bases of selling and buying advertising space.

4. Because every facet of Canada's widespread economy is touched by our member publications we believe that a vigorous and healthy Canadian business press is an absolute necessity. It gives the reader all the news regarding his particular business as gathered from all parts of Canada. Indeed, it also gathers news from all parts of the world and interprets it to the Canadian businessman in the light of his needs and as to its possible effects upon his industry.

5. Without a strong business press the scattered industrial segments of our economy would suffer. Today Canada has such a business press - well edited and giving vital leadership to its constituents. It must be preserved.

6. CCAB reports are used wherever buying decisions have to be made In total they exhibit breakdowns of readers in all industrial and commercial fields in Canada; in general they establish the fact that Canadian business publications penetrate all territories wherever business is transacted.

7. Accordingly, we once more reiterate the fact that a strong Canadian business press is a necessity for Canada's economic welfare.

8. As this letter expresses our views there would be no need for a personal appearance before the Commission.

THE CHAIRMAN: Mr. Galilee, we did not have the opportunity of reading your brief as it got lost or misplaced in reaching us but I want to assure you that we will give it the fullest and most serious consideration. We thank you very much for coming.

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SUBMISSION OF

ARTHURS-FRANKLIN PUBLICATIONS LIMITED

APPEARANCES: Mr. Norman J. Arthurs
Mr. William Sheppard
Mr. Robert Finlayson

MR. ARTHURS: Mr. Chairman, I would ask permission for our counsel, Mr. Sheppard, to read our brief.

MR. SHEPPARD:

1. The submission presented by Arthurs-Franklin Publications Limited covers the situation facing them as a small publisher of periodicals and business newspapers because of the inequitable competition from foreign periodicals and business newspapers. They would like to adopt at this time the arguments put forward in the briefs already submitted to the Royal Commission on Publications by the Business Newspapers Association of Canda and the Peridocial Press Association.

2. Arthurs-Franklin Publications Limited publish the following periodicals and business newspapers.

   (a) Canadian Hairdresser

   (b) Canadian Boating

   (c) Canadian Boating Annual Cruise Guide

   (d) Marine Trades

   (e) Hardward and Housewares

3. The periodicals and business newspapers published by Arthurs-Franklin Publications Limited are publications with a strictly Canadian editorial content and circula-

tion. Canadian Hairdresser, for example, serves the Beauty Industry in Canada. It was established in 1954 after three earlier publishers had reluctantly abandoned the field due to the overwhelming competition of United States trade journals.

4. Some reasons for the overwhelming competition are as follows:

(a) The suppliers to the Beauty Industry in Canada are 95 per cent American owned or controlled in the primary items such as colour, permanent waves, shampoos, salon equipment, etc., and these suppliers, of course, favour United States publications.

(b) These items are sold in Canada under the same trade name as in the United States, which increases the difficulty of selling Canadian advertising.

(c) The same technical requirements apply in most cases to Canada as in the United States. The language is the same in both Countries, which means a common printing can serve Canada as well as the United States. This is one of the main reasons why Canadian publications find it so difficult to compete with American publications who wish to enter the Canadian market. This also means that Canadian printers do not get the printing work for many publications sold in Canada, thus creating more unemployment in that trade.

(d) The postal rates in force in the United States and respected by the Canadian postal authorities also in some cases give the United States publishers assistance in their campaign to take over the Canadian publica-

(e) The United States, because of their huge circulation and their large advertising revenues in their own country, can afford to operate in the Canadian field at a loss, if necessary, in order to capture the Canadian publications market, and thereby the ultimate Canadian advertising market. As an example, at various Canadian Beauty Shows American publications often offer expensive premiums as an inducement to purchase subscriptions. They also pay substantial commissions to their subscription salesmen. Their costs often exceed the monetary value of their subscription rates. The monthly total circulation of one of the competitors of the Canadian Hairdresser is over 103,000 copies of which about 7,900 are circulated to operators and students in Canada. Another United States beauty publication has a circulation of 105,000 of which about 3,800 copies go to operators and students in Canada. Canadian Hairdresser circulation exceeds 8,500 salon owners which represent over 90 per cent coverage of the unit owners in the industry.

(f) Advertising revenues are the main source of revenue for all trade publications, and many of the manufacturers operating in Canada are subsidiaries or branches of United States beauty manufacturers. They often leave the marketing and advertising responsibilities with the parent company, who look on the Canadian overflow circulation of the United States publication they are using to reach their domestic market as a straight bonus. This point of view is en-

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2 couraged by the United States publications, and in
3 Canadian industries with large United States holdings
4 this becomes to the Canadian publication in any given
5 field a serious consideration.
6 (g) The tariff laws of Canada favour the United States
7 publications. Their magazines can enter Canada free of
8 tariffs, although ordinary advertising printed matter
9 is faced with tariffs similar to manufacturers' items.
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(h) Arthurs-Franklin Publications Limited in their marine publications, Canadian Boating and Marine Trades, endeavour to promote the Canadian Boating Industry. The United States publications which are competing with the above-mentioned magazines are naturally more interested in promoting the American Boating Industry, since their circulation and advertisers are primarily American. As a result, the Canadian Boating Industry as well as the Canadian publications are suffering from the continuous campaign waged by the American publications and manufacturers for the Canadian market. The United States boat manufacturers receive, as a bonus from the publishers of United States boating magazines, overflow Canadian circulation. Whereas the Canadian boat manufacturer must pay the total costs of Canadian publishing in order to reach his prospective customer among the Canadian public.

(i) Marine Trades also has the problem of fighting against the overflow circulation of United States business newspapers in its field. These publications are circulated in Canada free to marine dealers. This circulation produces an unhealthy effect for the Canadian manufacturer or distributor of boating equipment. Any Canadian marine dealer will be granted a distributor's discount from United

States manufacturers advertising in any of the marine publications. As a result of this larger discount he is able to import at a lower price for duty purposes, thereby being in a position to sell almost identical equipment in his dealer establishment at a lower retail price to the detriment of Canadian manufacturers. He has no intention of adding the cost of distribution to his operation, and the United States manufacturer, generally speaking, is only too eager to find an additional buyer for his products that he has no interest in the end result.

In conclusion, Arthurs-Franklin Publications Limited would request that the most careful consideration be given to means whereby Canadian publications can be put on a more even level of competition with United States publications. If something is not done soon, by action of the Canadian Government, our Canadian publications will wither away under the overwhelming strength of the United States publishing industry with resultant loss to Canadian culture and industry.

That completes our submission.

COMMISSIONER JOHNSTON: I just have one question. What would you do?

MR. SHEPPARD: Perhaps Mr. Arthurs could answer that.

COMMISSIONER JOHNSTON: What can be done?

MR. ARTHURS: Well, the overflow circulation

is extremely difficult, and it has blocked three publications in the past for the simple reason that they are coming into this country with a good representation of operators, and because of the size of it and the quality in which it is presented they are getting a large representation. I think that we noticed in printed matters coming into this country.that there is a sizable tax, and yet when this [illegible] is incorporated into a magazine it comes in free. That is a point which we have to compete with.

COMMISSIONER JOHNSTON: Are these large trade papers coming in - they are nothing much more than catalogues with a little reading matter.

MR. ARTHURS: No. For instance, in the recent issue of Modern Beauty Shop they have 90 pages of advertising with roughly 45 or 50 pages of editorials, including an 8-page style folder.

COMMISSIONER BEAUBIEN: You started publishing in 1954?

MR. ARTHURS: That is right, sir.

COMMISSIONER BEAUBIEN: Well, you must have been pretty courageous to set your mind to make a success of this. Why did you do it?

MR. ARTHURS: I guess we were very young!

COMMISSIONER BEAUBIEN: How are you doing now?

MR. ARTHURS: Well, we have had an amount of success.

COMMISSIONER JOHNSTON: Do you own your own printing plant?

MR. ARTHURS: No sir; we use three Canadian printers.

COMMISSIONER BEAUBIEN: Have you any suggestions to make to encourage your publication, at the same time not preventing completely others from coming in.

MR. ARTHURS: Well, quite frankly, our problem in two of our main publications is overflow circulation; it is not a problem of competing against split-runs or competing against Time or Reader's Digest, it is the problem of - particularly in the beauty industry where over 95% of the companies operate and are American-owned and yet they are using the same trade names, and there is no difference between the package they sell in the United States and the package they sell in Canada, and we know definitely that this cuts into it.

THE CHAIRMAN: Thank you very much, sir, for your submission.

SUBMISSION OF CANADA TRACK AND TRAFFIC MAGAZINE

Appearances; John R. Rose, Vice-President.

Ronald Marvin, Vice-President.

MR. ROSE: I am John R. Rose, of 130 Jamieson Avenue, Toronto, and I am Vice-President of Canada Track and Traffic Magazine,

MR. MARVIN: My name is Ronald Marvin of 484 Church Street, and I am business manager of the Track and Traffic Magazine, and with the Chairman's permission I would like the Commissioners to have a sample of the magazine as I believe it is pertinent to some of our arguments.

THE CHAIRMAN: You may proceed, sir.

MR. ROSE: Canada Track and Traffic is published monthly by Canada Track and Traffic Publishing Co. Inc., 69 Bathurst Street, Toronto 2b, Ontario.

Norman Namerow, President

John R. Rose, Vice-President

Jerry Polivka, Secretary-Treasurer

Canada Track and Traffic is 100% Canadian-owned and is published exclusively in Canada.

Canada Track and Traffic is a comparatively new magazine. It is designed to appeal to owners of economy cars, small cars and sports cars and as such is unique in Canada. Now in its second year, the magazine was first published in September of 1959.

Canada Track and Traffic magazine is the sole publication of CANADA TRACK AND TRAFFIC PUBLISHING CO. INC. It was conceived in 1959 by a small group of

Canadian enthusiasts, and survived the first - and most critical - year, at a financial loss.

It survived chiefly because of the enthusiasm of its founders and staff, and the loyalty of its present advertisers and the hard core of motoring enthusiasts who provided the first small revenues.

Subsequent improvements, necessary to match the high quality of U.S. competition, have been brought about only by continuing at a loss.

It has been proven possible, however, for a small group, without corporate support or massive financial backing, to create an original,attractive, 100% Canadian magazine.

Canada Track and Traffic is national in scope and circulation. Its interests encompass the entire range of topics of interest to motorists. Through illustrated articles and reports it offers news and views on cars - both domestic and foreign - on maintenance and modification of automobiles, on touring, and on the motor sports of racing and rallying.

It is the only such Canadian publication.

Canada Track and Traffic is NOT a business publication and therefore has no 'automatic' support from any source whatsoever. It does, however, offer a unique advertising medium to all industries and undertakings associated with automobiles.

Canada Track and Traffic carries Canadian advertising and encourages the use of Canadian editorial material almost exclusively.

The publishers of Canada Track and Traffic have taken note that briefs submitted to the Royal Commission to date have ranged far and wide. In this brief - the only submission to be made by this magazine - the publishers are anxious to point out one factor which in their opinion is a deterrent to the growth and final successful establishment of this Canadian magazine, - a Canadian magazine which will be a worthy competitor with foreign-based magazines in this field.

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The publishers wish that the following points be accepted as representing the publishers' reasoning in calling upon the Royal Commission to recommend action on a certain course by the Federal Government.

Canada Track and Traffic believe that in the magazine field, competition is healthy and desirable to stimulate the growth and improvement of competing periodicals.

Canada Track and Traffic welcomes such competition and believe that wherever possible, such competition should be free from artificial restrictions.

Canada Track and Traffic does blieve, however, that the above competition should be fair; that all competing parties should have an equal chance to stand or fall on their individual merits.

Canada Track and Traffic regrets that unfair practices exist currently in the publishing field and is alarmed at the effect these practices are having on Canadian publications.

Specifically, Canada Track and Traffic deplores the practice of U.S.-based magazines in offering cut-rate advertising rates in "Canadian editions", the purpose of which is not to promote a

Canadian magazine, but to increase revenue from Canada flowing to a foreign source. While recognizing this as an astute advertising manoeuvre, we wish to draw the Commission's attention to the harmful side-effects of such a practice.

U.S. magazines offering Canadian advertisers "special" rates are also offering them a powerful advantage for their advertising dollar value when computed on a rate-circulation ratio with Canadian publications which have smaller circulations, but higher unit production costs. In such instances, Canadian publications cannot compete.

Canada Track and Traffic believes that the above mentioned "special" advertising rates are preventing Canada Track and Traffic from realizing its full advertising potential because it cannot offer competitive rates, based on its circulation.

Canada Track and Traffic also believes that if fair circulation/rate prices were offered by U.S. magazines to Canadian advertisers, those advertisers would have more incentive to patronize domestic publications.

Canada Track and Traffic therefore calls upon the Royal Commission to recomment that the Federal Government legislate to restore a fair

climate of competition between U.S. and domestic publications by declaring illegal or otherwise banning foreign-based publications from offering bargain advertising rates which severely undercut Canadian rates.

Canada Track and Traffic urges the action outlined in paragraph #7 on the grounds that the increased business which would revert to Canadian magazines would help bolster our national economy, improve the financial status of our native publications and encourage the advent of new Canadian publications. In summation, such a move would strengthen Canadian publishing generally.

COMMISSIONER JOHNSTON: Now Mr. Rose, referring to your paragraph 18 about the so-called Canadian editions. Do you know of any at the moment encroaching on your field?

MR. ROSE: Well, advertising-wise, we feel that there are only two that are seriously encroaching.

COMMISSIONER JOHNSTON: Who are they?

MR. ROSE: That would be Time and the Reader's Digest.

COMMISSIONER JOHNSTON: You take on big ones, anyway, don't you? In selling your advertising, have you had any difficulties with agencies - that is not a fair question, and I will withdraw it. That is all.

THE CHAIRMAN: Thank you very much, sir, for your submission.

Now, gentlemen, this meeting is adjourned until 10.30 o'clock tomorrow morning.

--- Adjournment at 4.15 p.m.